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## **Service quality in Food & Beverage business in Metropolitan area.**

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Service quality in Food & Beverage business in Metropolitan area.	52 + 8
<p>Restaurant owners have ever confronted with such a fierce battle like before due to the booming number of new restaurants opened around the city. It is a good signal of a prospective economy, and bring more choices to residents. However, market competition mostly focuses on pricing strategy rather than other elements such as service, which is discussed on this thesis, since it is more sustainable and elevate the competitiveness in a higher level.</p> <p>Service quality model has been chosen to serve as a strong proof of a tremendous benefit behind quality concentration rather than price adjustment to compete new market comers. Even though, food is the key element in Food &amp; Beverage business, but service factor is an additional element to trigger customer decision, experience, and satisfaction especially customer retention leading to customer loyalty.</p> <p>The empirical research includes qualitative and quantitative study such as semi-structure interviews, and survey. Additionally, some real-life stories were mentioned to demonstrate author's point of views realistically and lively of how service transforms business view with innovative approach. These researches and example are the main focus of this thesis to acknowledge the importance of customer insights, customer experiences, and what should be improved regarding to service sector to better understand consumers.</p> <p>Some possible suggestions for business owners concluded this thesis so that it can provide solutions, feasible actions to consider and apply for future development, elevate the current competition in a higher level, even gradually influence customer awareness of changing focus, or comparison criteria.</p>	
<b>Keywords</b>	
Service quality, Customer loyalty, Customer experience, Customer service, Customer satisfaction, Customer insights, Food & Beverage, Innovation.	

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# 1. Introduction

The thesis topic is part of my business idea that I plan to open a restaurant in Helsinki area. Having thought and gone through many topics around the business plan, I ended up going deeper with service sector which most of current middle-class restaurants lack of or not pay much attention to. Investing in restaurant service will be helpful to stand out from current competitors.

Additionally, I am passionate about business development in service aspects, especially customer understanding through collecting customer insights and their journey to serve them better in all dimensions during the time in Food & Beverage business. Having gone to quite many restaurants around Helsinki, I found out the service level at most of these places could possibly improve to bring distinct experience to the target group.

According to Letizia Gallacci's report "The Food and Beverages sector is one of the most important industries in the world economy". This industry contains food products and beverages manufacturing, and tobacco product manufacturing. Statistics Canada has clarified the former element of Food and Beverage sector "establishments primarily engaged in preparing meals, snacks and beverages, to customer order, for immediate consumption on and off the premises". It is commonly known as F&B standing for Food & Beverage.

In comparison with main competitors in the same market segments, it has remarkable development in food variety, customer retention, and its existence in many festival around the city that are beneficial for it a lot in branding strategy. After discussing about the idea for consultation, it is interesting to gain principle customer understanding whether they are familiar with this restaurant concept, their insights of cuisine experiences, perception and satisfaction that contribute tremendously in planning and improving service quality.

The research focuses on customer perception and satisfaction of service quality in restaurant business, decision-making criteria. Additionally, because of the distinct of the idea, it has better to test and observe customer reaction toward it to see how much the target group is familiar with and their insights about that cuisine also its new version.

Moreover, this research will be helpful for thesis author to lean her ideas in business and development on theoretical framework that will create a consistent picture for further movement, aware of pros and cons before making it happen.

The result of the research will bring great meaning to reflect and adjust the initial plan of this concept. It also becomes a good resource to generate more ideas and redesign business to keep up with customer demand and satisfaction.

### **1.1 Research problem and Research questions**

Research question and sub-question will help thesis author and reader understand the key issues discussed here. The research question delivers the overview of the problem that will be solved during thesis process.

Here are two research questions:

- How much are customers satisfied with current restaurant services?
- Which factors will interfere with customer satisfaction and decision while going to a restaurant?

In order to understand the whole picture, the author will firstly answer these sub-questions, which will narrow down the thesis scope and answer two key questions thoroughly.

The sub-questions for this research are:

- How the customer defines the meaning of services in restaurant experiences?
- Is there any differences between their demand and current offer at their lunchtime?
- What are the main forces bringing the target group to a new restaurant?
- How can the future restaurant satisfy the target group in service and product quality?
- Situational factors and Personal factors, which one make more affect customer decision of going a restaurant.
- Is there any correlation between service quality, customer satisfaction and customer loyalty?
- What are the main factors to make them become a loyal customers?

The main questions and sub-questions are answered during the thesis process with the great help from theoretical framework, data collection and analysis.

### **1.2 Demarcations**

Due to the scope of this thesis, it has several limitations that the readers should consider carefully prior to conducting similar projects.

The first demarcations will be target area, which is Finnish market since thesis author bases in Finland, and she would like to set up this restaurant in here that she could take advantages from local resources, which the investor and her are familiar. Different geography and demographic elements will possibly entail to diverse outcome.

Secondly, it will be business sector since thesis author aims to focus only on F&B aspect. Because of that, the differences from other economies will bring different result and approaching methods in collecting data. Service quality will help this business stand out from the ground since this cuisine has been in Finnish market for ages and customers have already been familiar with that kind of food.

Importantly, average service level remains the same during the time regardless of the nourishing of new businesses in F&B business. Another factor contributing to stand out this business is to increase variety of food, which the author also discusses on the business plan, but this thesis should narrow down on service quality in order to get a deeper knowledge about it.

It is crucial to conduct market researches before launching any business in abroad since it yields comprehensive understanding about target market, customer demand, and business orientation, even foresee some potential issues, which might rise during the time and affect business development, in order to prepare action plan before it happens.

In order to scale up and bring much value for the thesis, the author has gone deeper with customer experience, customer journey, customer satisfaction, and customer loyalty to draw the correlation among these, which is meaningful for any business to comprehend their consumer deeply before concluding with some possible suggestion for future improvement and observation.

## **2. Service quality in Restaurant Business in Finland**

This second chapter will present the overview of service quality in restaurant business in Finland, how customers perceive it, and its importance in business development in a long run.

### **2.1 Situation**

There is over a thousand restaurant around Helsinki area from island to mainland, which are diverse not only local taste but also international cuisine such as Africa, Asia to name a few. Additionally, the Finnish market has witnessed the development and innovation in modernizing traditional recipes and services that has brought unforgettable experiences to customers.

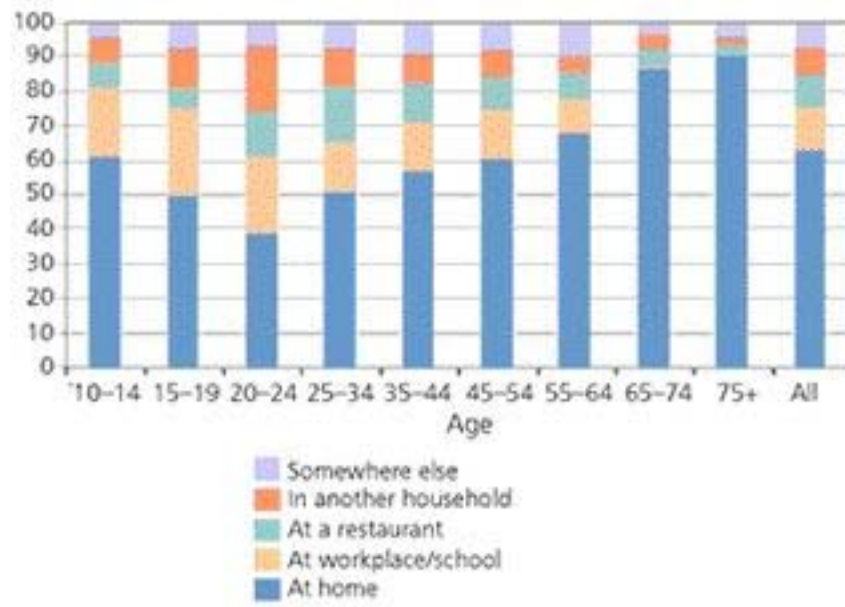
Finnjävel restaurant in downtown Helsinki is an ideal example of bringing exquisite experience in conveying Finnish soul and pride through food. As reservation is required in advance prior to indulging fine dining night that has brought a sense of professional and differentiate with other competitors in the same market and customer segmentation. The requirement in distinguish venue, utensils, food variety, and service entail to higher price that still satisfy most of its customer.

According to customers' review on Finnjävel's Facebook page, 176 out of 190 feedbacks gave 5 starts to show their satisfaction; whilst the rest graded from 1 to 4. Especially review 1 start was responded promptly, which shows how the owners are serious with their business and how customers can contribute to make the restaurant future become better.(Finnjävel 29<sup>th</sup> June 2017).

Meanwhile, Konstan Möljä is a traditional Finnish restaurant, which the old people has taken over this business since it is hardly to look for any official communication with customers through social media even less attractive web page in comparison with Finnjävel. In spite of its limited visibilities, the restaurant still gains good reputation and prestige from local customers to foreigners when 68 reviews gave 5 starts and heartwarming words for their experiences in there.(Ravintola Konstan Möljä 30<sup>th</sup> June 2017).

Because of its unofficial visibilities and interaction on social media, the restaurant unintentionally reduces its responsiveness that is one of key elements contributing to the success of service quality especially when having negative feedback. Interacting actively and on time on cyber space nowadays is crucial to gain impression from customers.

Both of these restaurants has been given good feedback in food quality, but it seems service quality has differentiated each other in the same market segmentation. It plays a pivotal role in bringing customer satisfaction and reaching customer loyalty in the end. Going through most of customer feedback at Finnjävel via Facebook page, it can easily realize some of customers went back to this place in order to indulge not only stunning menu but also excellent service, which is worth spending extra money to enjoy the good time there.



*Figure 1: Where people have their meal by age group in 2009-2010 in Finland.*

Eating out at a restaurant or at workplace/school happens mostly to people of young generation and decrease significantly when they nearly reach retirement age. Spending time for outside eating could be snack or coffee time in this young group from 10-14, 15-19, 20-24, and 25-34 compensating for the decrease of staying at home for meals.

Statistics Finland reported that “40% of all meal taken at restaurants were work related.” 70% of worker who ate at work considered this as their daily routine, many of them felt that eating out is more convenient than packing their own lunch to work. Apart from those opinions, food quality still maintains its importance to choosing a restaurant. However, the restaurant distance is emerging and influencing decision-making process in order to prevent traveling time.



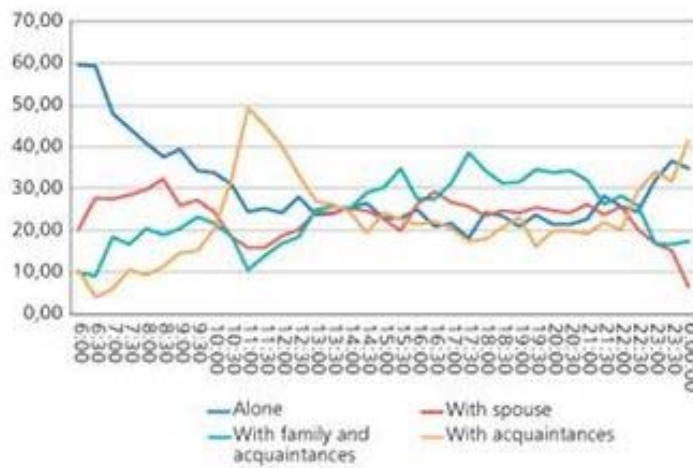


Figure 2: Eating alone or with others in 2009-2010

According to the above chart, “30% of respondents ate alone, 24% with family and acquaintances and 23% either with spouse or with acquaintances only” (Statistics Finland). The report also revealed that “Young childless couples spend a lot of time in restaurants and cafés during the weekend, as do single parents. Couples aged 45 or over spend the least time socializing in restaurants, cafés and pubs. In 2009–2010, they spent less than a minute a day on this activity, whereas those aged under 45 living alone spent 25 minutes on it.”

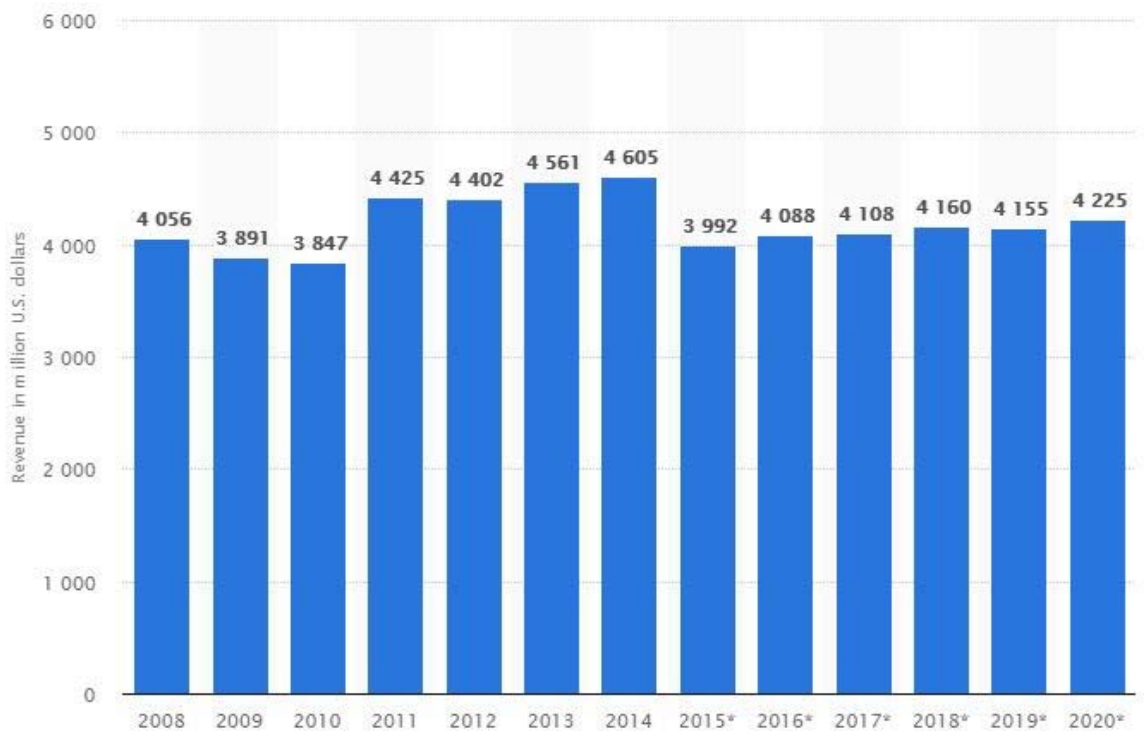


Figure 3: Revenue of restaurant and mobile food services in Finland from 2008-2020 (in million US\$)

### **3. Service quality and Customer satisfaction**

#### **3.1 Definition of Service Quality**

According to Lovelock, Wirtz, and Chew from *Essential of Service Marketing*, services provide benefits to customers without ownership (2009, 12-13). To be more specific, paying annual fee for credit card exchanges to payment security and other added values, which associates that a cardholder pays for banking services not in purpose of owning a bank. Booking an appointment to come and visit a doctor or psychologist entails to purpose of curing illness either physical or psychological issues that does not aim to own a hospital, health center or doctors.

The first definition of service can relate to intangibility that ease or satisfy receivers' current demands by utilizing facilities, hiring labor or expertise of person, even accessing to network. Meanwhile, another perception relating to service term associates it into "deeds, processes, and performances" (Wilson, Zeithaml, Bitner, & Gremler 2016, 5). The group of author has pointed out that service provided by HSBC, AXA Group and Vodafone are unable to be recognized physically by our sense but rather satisfy specific needs through intangible chains of action and achievement.

Another example from a product-based organization IBM still has intangible services to support its customers for example repairing, maintaining, and consulting and so on. Entailing to those services is reporting, calling, and meeting that are a series of acting, proceeding, and performing to complete and achieve customer satisfaction. The IBM case unintentionally links to customer services, which explains as an offer for customer before and after purchasing products from businesses to support purchaser indulge in new experiences (Salesforce desk).

Meanwhile, Entrepreneur staff defines customer service through the terms of courtesy and support given by business providers. The former definition of customer service seems obvious and more comprehensive, which can easily associate with the actual service faced every day in business, than the latter one. What's more, the definition from Entrepreneur clarifies the essence of customer service that potentially links to the way service receivers perceive and its principle attitudes or elements. However, the second definition can fit in service at restaurant business, which is the main target of this thesis; and the Salesforce's definition focuses more on reflecting services from tangible products in either business-to-business or business-to-customer.

### 3.2 Service Quality model

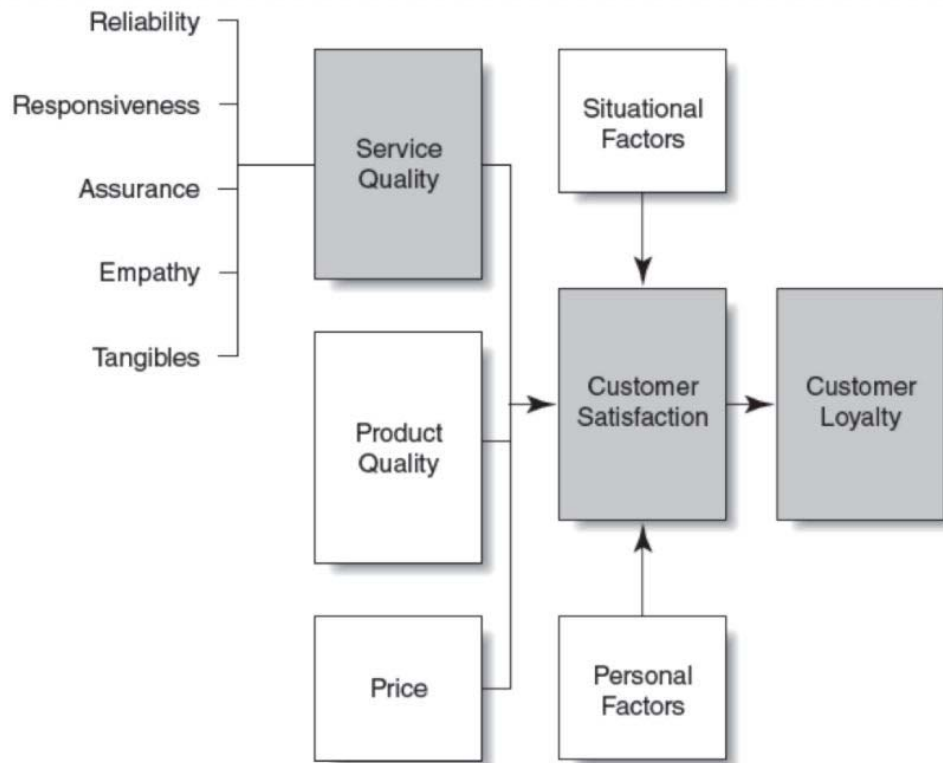


Figure 4: The quality-satisfaction link (Wilson, Zeithaml, Bitner&Gremler, 2016, 71).

#### 3.2.1 Product Quality

Separating “quality” element out from term “Product Quality” can relate to “the units of goodness packed into a product or service” (Ghobadian, Abby; Speller, Simon; Jones, Matthew, 1994). As a matter of fact, “a quality service will contain more units of goodness than a lower quality service.”

In conclusion, the combination of qualified characteristics and features of a product is defined as its quality since it adapts to end user’s given requirements.(mbaskool.com)

#### 3.2.2 Service Quality

Service quality has got the attention in academic environment and management aspect since it is one of the most crucial elements in service marketing and also in service management. (Tapan K Panda & Satyabrata Das, 2014, 54). The definition of service quality also extends that evaluation process entails to service quality, which customers compare to the service they perceive after receiving it.

Customer judgment about service excellence is the crucial element to define service quality at restaurant business, which involves technical and functional quality (Gaurav Tripathi & Kartik Dave 2016, 4). These two authors have explained on their report that technical quality is more about service delivery process to recipients; whilst, functional quality aims to ways of service is conveyed to customer. The former quality draws the

overview of delivery process, and the latter one breaks down that chain to have a closer look how it can happen.

“Quality is an important issue in the modern competitive business world” (Kanji & Gorst, 2005,1). However, the definition for quality is different in each specific industry to give an overview of what kinds of services should take to support certain business activities or products that satisfies target customers. “Quality has come to be recognized as a strategic tool for attaining operational efficiency and improved business performance.” (Jain &Gupta, 2004, 29, pp.25).

There is still some major points that quality in service sector should take into consideration which are its characteristics, interaction, image, service level and quality control activity. (Flex study, 7) Regarding to quality, customer perception is one of the importance elements because it depends on each stage so customer will perceive differently and adjust their expectation level; likewise with speed of service that it demands fast pace of serving in order to handle customers’ order as fast as it can be in fast food restaurant.

“The quality of interaction is a vital sector in every service transaction that involves human contact.” (Flex study, 7) Services at a restaurant can be a typical example in how helpful waiter and waitress are to serve customers in positive attitude and become mind-readers by being aware of what customers suffer from then suggest or give them solution. This factor impacts on customer experiences and satisfaction especially first impression, which can potentially lead them to be loyal customers.

“Image is a major factor in shaping customer expectations of a service and setting standards by which customers evaluate that service.” (Flex study, 7) It can come from brand image, how staff looks like and so on, these elements expose to customer at the beginning before they can experience services or products. Those initial interaction influence customer expectation and trigger their thinking whether they should adjust their desire or not.

### The 5 Service Dimensions Customers Care About

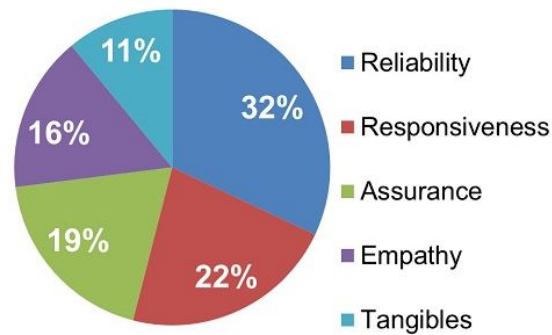


Figure 5: Source: Service Performance INC.

Service quality also contains 5 main components, which are reliability; responsiveness; assurance; empathy and tangibles. Firstly, reliability stands for delivering on promises (Wilson; Zeithaml; Bitner; & Gremler, 2016) that is the most important determinant and relates directly to customer loyalty, it will answer how reliable and prestige that service or business is basing on the number of customers going back to that business. To Chris Arlen's research, reliability accounts for 32% of what customers care about, which is the largest percentage in comparison with other criteria, it is even more important than up-to-date equipment or flashy uniform.

Responsiveness highlights for willingness to help customers; meanwhile Service Performance INC emphasizes the speed of responding to customer requests or complaint, and service providing. In order to excel in service, improving responsive quality and speed can be considered, it entails in staff training requirement so as to perform professionally and prevent time consuming, which is meaningful in reduce negativity from customer impression no matter it is the first or the second one.

The following element is assurance, which defines employees' role in providing service. To be more specific, employees' performance will inspire trust and confidence through their knowledge, action, and reference. On the other hand, it relates to raising customer awareness about those services' competences through visible objects like logos, advertising, and employees' uniform and so on, invisible element can be associated with customer communication about company's expertise and distinction.

Empathy regards to individualizing attention to customer in order to understand and provide distinct experience, even gain satisfaction. This term can simplify easily by employees' action or behavior of caring customer needs personally, elevate their

impression. In order to perform well in those situations, staff training is required to assist employees' performance promptly and professionally.

The last element is tangible which accounts for the smallest portion of the below graphic according to Chris Arlen from Service Performance INC. The term aims to mention service visibility that can be either physical or virtual, contacting points between service providers and customers in any situation, and assistance. Tangibility will be different in specific industry in order to serve customer better, and catch up with technology development to facilitate all the process. Employees' uniform, or marketing material also account for this term that customer can differentiate among others.

As stated in Adam Toporek's article (Customers that stick, 2015), great restaurant customer services should have 5 fundamental elements, which suits with 5 influencing factors to service quality model, in service provider's point of view. It starts firstly with setting expectation suitably because it somehow affects customer satisfaction and impression no matter how often they come, even it might potentially elevate customer experiences when the main purpose of coming to a restaurant is to indulge in tasty food.

The expectation level should start from the brand since it initially interacts with customers and trigger their decision of coming or not. When customers make their reliability, which relates to the ability of performing service promises carefully and accurately (Service Performance, 2008), to a certain place, loyalty starts from this point, which is the target of achieving prestige service quality. Richard Branson once mentioned, "It's all about Virgin experience and the ongoing challenge is to make sure that this experience is consistent with its expectation levels across all sector. It's all about brand." (Like a virgin, Secrets they won't teach you at business school, 68).

Then providing consistent products is equally important as other elements, which affects directly to customer expectation and satisfaction since it discusses about stable product quality. Paying high attention to these criteria is crucial to service sector, especially restaurant business since food quality brings impacts directly to restaurant's brand and image. Customer can forgive for the inconsistency at first time, but to some demanding target groups your instability can be spread or the problem remains unchanged, it would probably pose threat to a business.

Delivering consistent service somehow links to work forces, which requires training; and hiring in order to form reliable, knowledgeable, and effective employees to provide service professionally. Waiting time affects significantly to customer satisfaction and

experiences since it might increase when high speed of serving and vice versa. Thorough waiting time management can achieve thanks to well-trained staff, in some special case communicating with customers should be done in order to manage customer expectation when the situation goes wrong.

Lastly, effective communication training brings much meaningful for all above criteria, contributing to create distinct brand image, and customer experience. Each employee carries not only his or her personal image but also his or her workplace as well. This powerful factor will help business providers understand its customer and valuable customer insights for future usage.

### **3.2.3 Price Quality**

Term “Price Quality” has brought much controversial as it closes to psychological aspects, to be specific, customer perception, the higher price, the better quality will be (Nugent, Pam M.S, 2013). Hitesh Bhasin stated that “Pricing in itself is so dynamic in nature that it can make or break a brand single handed”.

Basically, "decide what type of customers you are going to target" and “consider the competition” are the possible solution to balance price and quality, suggested by Hitesh Bhasin. Askor K. Lalwani and Lura Forcum discussed that “price is one of the most important alignable attributes that enables a quick and direct comparison between brands higher (vs. lower) need”.

### **3.3 Customer satisfaction**

Maria Kuusisto refered the definition of customer satisfaction from Jamier L.Scott that stands for the key value planned to gain by service.(Maria Kuusisto 2011, 5). According to it, service is probably an intermediary to deliver either tangible or intangible products to end users that plays a pivotal role in satisfying customer from post-purchasing to after-purchasing.

But Oliver’s opinion breaks down the term customer satisfaction and start defining it with “Satisfaction is the consumer’s fulfillment response. It is a judgment that a product or service feature, or the product or service itself, provided (or is providing) a pleasurable level of consumption-related fulfillment, including levels of under-or over fulfillment...” (Grigoroudis & Siskos, 2010, 4). His definition becomes an initial step to those wish to discover customer satisfaction from its root and elevate it in the higher level in order to achieve the over fulfillment and positive impact to customer experiences.

Another noticeable concept would probably give an overview of target groups that an organization should satisfy and delight them. Kanji & Gorst has given an advanced idea about target person in customer satisfaction. It normally relates to those purchases, whom is defined as external customer, specific products or services, and make profits to organizations. External customer satisfaction is simply the same as all business organizations has known so far.

On the other hand, internal customer is employees in those companies who is equally important as external customer. This customer indirectly brings profit to the organization by providing services, being part of producing process. However, they still deserves to be delighted and satisfied in order to motivate them give the best of themselves for the business and make external customer satisfied as they are "The fact that they all work for the same organization is irrelevant. What is relevant is that they are all adding value to product or service."(Kanji & Gorst, 2005, 12-13).

Ever-changing society has influenced customer demand in order to compensate for their life commitment and recharge their energy. That is why service providers confront with new challenges of upgrading their level to catch up with ongoing demand and competitiveness in their market segment "One other aspect that is facing companies today is that it is no longer sufficient to satisfy customer. It is becoming increasingly necessary to delight them."(Kanji & Gorst, 2005, 7).

Delighting customer lies in the ability of providing something out of customer expectation or unaware of its possibility to happen, the service provider simply moves one-step further to excite customer with their order (Kanji & Gorst, 2005, 12). Among 8 ways to delight customers from Kevin Daum's article, there are some noticeable and applicable rules that should take into consideration.

Surprising gift could make customer happy even though it is just the small things but its outcome will overshadow its cost. That little surprise could be anything from your latest products or services, coupon from goodies bags as long as it is fun, meaningful and tasty. It is crucial to pay attention to special occasions during the year in order to design services or offers that cheer customer's mood and ambience. It can simply some cookies at the tables during Christmas time, lovely keychain once customer's orders reach the limit, even cute children toys during children's day and so on.

These small things affect tremendously not only customer thinking and satisfaction but also branding strategies. Moreover, it influences customer impression and spreading words about their wonderful experiences at specific places or services that sounds



more prestigious rather than just lying their belief from the Internet nowadays. The availability and convenience in searching for information has facilitated customer search in all dimensions, but its withdraw is to trigger customer decision in believing in the true value of all the information flow.

Because of that, receiving recommendation from networking or surrounding people brings much meaning and prevent time consuming in making decision. A study conducted by some big firms, for example Nielsen, has apparently pointed out that people tend to rely on word-of-mouth from friends or family as trusted consumer recommendation. Word-of-mouth is the key driver of increasing 6 trillion \$ of consumer spending and play a pivotal roles in sales aspect of many brands. (Michael Haenlein & Barak Libai 2017, 69).

Companies usually spend most of their marketing budget to let people know about their business through most of marketing channels instead and pay less attention to low cost channel as word-of-mouth that is able to reach a large audience and viral growth for long term. This marketing tool is highly recommended and meaningful for new comers with limited marketing budget.

It is important to pay attention to these key questions to plan a well-rounded word-of-mouth program: Who to target? When to launch the program? Where to launch it? Which incentives to offer? How many participants to include? (Michael Haenlein & Barak Libai 2017, 70). No matter how much effort has given, the attention to improve product or service quality is still the core action to support the best performance for word-of-mouth program.

Finally, it is essential to listen to customer in order to understand their need, especially stepping further their thinking to design surprised offer and delight customers. On the other hand, giving surprising gifts or designing special offers requires customer understanding to locate their needs and pains so that the surprise elements can elevate satisfaction and feeling tremendously that potentially leads to loyalty.

### **3.3.1 Situational factor**

“Situational service factors specific to each scene dynamically determine individuals’ evaluations of the service encounter as each scene in the play is performed, at times moving from one unique stage (place/venue/episode) to another.” However,” one’s perception of service quality may differ from scene to scene.” (Stephen D. Strombeck & Kirk L. Wakefield, 2008)

As clarified on this model, situational factors could be weather element, occasion and so on. Notwithstanding, there is also 2 more types of situation that directly affect customer satisfaction which are common and ad-hoc context. Its definition are “The routine and habitual scenarios that typically arise in daily life.” and “unfamiliar or less frequently experienced situation that are not as well-defined and as predictable as common situations.”

### 3.3.2 Personal factors

This element could simply be customer emotion coming from their thinking and feeling or demographic such as age, gender and so on, which plays an important role in, decision making and satisfaction due to different demand and requirements.

According to a report about “ Promoting positive behavior when supporting people with a learning disability and people with autism”, personal factors is categorized into 5 groups which are constitution (physical condition, sensory impairment...), personality and character (introvert or extrovert...), sense of self (positive or negative self-image...), communication skills, and psychological state (recently experienced any changes, loss or bereavement of life...).

### 3.4 Maslow's hierarchy of needs

The hierarchy ranks the 4<sup>th</sup> level for respecting, and respected by others in this case could be a good example to understand the principle concept of human needs, even reveal the key solution to gain customer loyalty thoroughly.

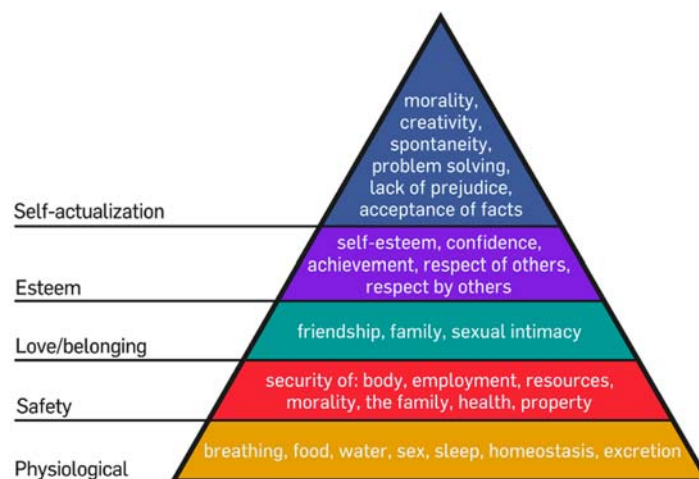


Figure 6: Maslow's hierarchy of needs

Moreover, the company would probably reduce its expense in training and recruitment. As the loyal customer will repeat their purchase so they become profitable which brings to predictable sales and profit streams. They are even inactive to search for alternatives and tend to resist to fascination from other brands. According to Dowling

and Uncles's research, there is the strong correlation between level of brand loyalty and market share, as loyal customers could refer their experiences and spread their words to their friends or family about certain products or services that they are satisfied.

References from surrounded people like family, friends, or colleagues is helpful and trusted to customer nowadays. Due to living in state-of-the-art era, Social Media tools become powerful like never before and beneficial to promote and approach target groups easier and fast. The competition among rivals is not only market share but also customer engagement or perception in Social Media platform as another information channel to deliver its message to target audiences.

Because of that, customers are nowadays bombarded and proceeded a massive source of info whenever they are in demand of purchasing or switching to another products or services. In that situation, receiving creditable suggestion from surrounded people is a time-saving option prior to making any purchase, or get confused. In the long run, they also become loyal as their expectation catches the quality level and belief toward to references from others in comparison with advertisement which usually makes up the reality further than it should be.

Receiving customer feedback is necessary, as it is a signal of respecting, listening and cooperating with customers. Understanding consumer needs should be the next priority after having employee loyalty to build a long-term loyal strategy. In order to find out what target groups are looking for or try to solve their pains, in-depth research should place as a gene in business operation to ideate future products, and receiving their evaluation for development. Customer feedback is a positive signal as it shows that product is still in their mind and they demand some changes to confirm their loyal firmly and consistently instead of leaving silently and switch to other alternatives.

According to thesis author's in-depth research, some interviewees reveal that once they are unhappy mainly in food quality, they would keep silent and either walk away or take long time before coming back in hope of things have changed during that time and consider their loyal. As service providers' perspective, it is clever to acknowledge those changes in customer behavior to figure out the bottlenecks and possible solutions because obtaining new customers costs more than maintain current groups and make them loyal. The main reason for the silence is their characteristics that are shy and introvert.

All these activities aim to get the idea about customer needs to deliver superiors values and deliver wow services. This is because the loyal group demands more offers to stay loyal, and require the business make more effort to develop and build a strong value creation. "Since the only way a business can retain customer and employee loyalty is by delivering superior value, high loyalty is a certain sign of solid value creation." (Reichheld, 1996, 5). "The argument being that a satisfied customer will only stay until a better offer comes along, whereas a delighted customer is more likely to remain loyal"(Kanji & Gorst, 2005, 7).

It is still a debate whether satisfaction entails automatically to loyalty or not, and past satisfaction is one of the key components of brand loyalty. The good reason to explain for this relation between satisfaction and loyal figure is "Measuring satisfaction often leads to fairly good results but these results do not measure loyalty." (Helia Arantola 2000, 5). A substitution for satisfaction measurement could be stable customer base that does not aim to apply for the opposite direction of this affiliation. Mittal and Lassar have highlighted the incapability of translating into loyalty from a high level of satisfaction on their empirical research.

It apparently shows the affiliation between satisfaction and loyalty might be true in some exception not all situation as it varies and affected by other elements, and customer needs. Briefly, customer loyalty consists of employee loyalty, good offers from service providers acting as a forward-thinker basing on customer understanding for future demand and feedback. That could lean on these actions: listening, understanding, re-framing to provide the advanced deliverables, training, and stepping forward to observe and offer wisely toward to employees and customers.

Since it is controversial about measuring customer loyalty to service providers because there is no concrete evidence for the strong relationship that satisfaction would probably lead to loyalty. It is relevant to go deeper this loyalty topic before having a meaningful conclusion. Kendrick (1998) applied two criteria to measure customer loyalty, which are purchase activity over time and spending.

This measurement sounds creditable as customers make their belief to certain products or services so they refuse to switch to other options or seek for alternatives and remain their loyal with current brands. As discussed above, it is time-consuming to search for substitution; even the fast paced of life makes people aware of spending time for unnecessary and less meaningful activities such as switching products to emerge in new experiences.

According to Social Marketing article, the definition of Generation X, Y, and Z has given the overall picture of loyalty in each generation affected by living condition, lifestyle, social impacts and background, historical context and so on. High level of skepticism is characterized for generation X that means they have strong critical thinking, questioning more, spending more times to research and gather references from others before making purchasing decision to support their determination with concrete proof. It is recorded as “the best educated generation with 29% obtaining a bachelor degree or higher” (socialmarketing.org) in comparison with the former generation.

Gen Y has exposed to the modernization with the rapid expansion of TV cable, Internet, Satellite radio...and the diversity of ethnics, races. “The speed of Internet has led the cohort to be similarly flexible and changing in its fashion, style consciousness, and where and how it is communicated with.” (socialmarketing.org). Because of that, Gen Y’s brand loyal is low. Y-ers is nurtured by X-ers who have high level of caution and pragmatism in forming family, seek for stabilities so they avoid broken homes, fluctuated financial ability, kids growing up without parents surrounding. This tendency is understandable, as X-ers has experienced the tough stories inheriting from their parents, who are grandparents of Y-ers, with loss, separate, and immigration because of the Second World War that finished over two decades before Gen X was born.

That mentality has formed Gen Y become more independent, mature. Concerning about the experiences from their parents, they prefer well prepared and well-guarded their children out of fluctuation, together with life sufficiency that support them to be a good parental model. So Gen X was grown up with independent mindset, but the social context and ever-changing development has explained for their changes in behavior and loyalty habits.

Meanwhile, Gen Z is defined as the technological life with sophisticated media, computer, and become a tech or internet savvy than the forerunner generations. They used to rely much on info from cyber space but that tendency has switched to surrounding people after having negative experiences due to one-side opinion.

Another loyalty measurement seems more verbal than the former one as it uses the question “Would you switch” (Mittal and Lassar 1998, Berry and Parasuraman 1997). The respondents might open the answers by giving their explanation which brings meaningful to service providers and researchers to get well-rounded opinions, foresee customer behaviors with pains and gains in their choices because there is no absolute substitution, it is just better or outstanding than others.

Opposite opinions always exist to defend others' point of view as how this life happens. "Since it is present when a customer consistently spends its entire budget on a given vendor, it is nearly impossible to measure." said Fay (1994). Because of that the practical alternatives should be "visits per year, spending per visit and year-on-year comparisons of unit shipped". This defense seems persuasive and realistic to frame a temporary measurement of loyalty, and some variable factors rely much on specific cases that could possibly cover the overall picture for service providers to make their own criteria outperforming than the one and only general framework for all regardless of flexibilities.

### **3.5 Customer satisfaction and loyalty**

Jeffrey Gitomer used to state, "Customer satisfaction is worthless. Customer loyalty is priceless" (Ross Beard, 16<sup>th</sup> August 2013). According to the research about customer loyalty and commitment, Heli Arantola define customer loyalty as the repetition of purchasing and experiencing services from the same companies with a positive attitude (Heli Arantola 2000, 5).

Kanji and Gorst have also concluded their definition, which is quite similar to Heli, but in customer perception perspective "Loyalty is the degree to which a customer will choose a particular company again over a rival company." O'Keefe has elevated the importance of customer loyalty as it is difficult for future growth of any organization without loyal. That statement has brought to debate in company's expansion as there is no loyalty generated among its customers those fail to return, so financial situation is instable and stuck in problems.

Heskett has emphasized that "loyalty is a direct result of customer satisfaction". Therefore, it is supportive for its position at the end of service quality model. Following up customer after becoming loyal is extremely important since it costs for a company less than the expense of finding new customers even confronting with new challenges to adapt changes. Kevin Daum has written on his article at Inc. that giving a priority to loyal customer is also the best way to maintain their loyal level to specific products by offering them the possibility of privilege purchase the latest collection or promotion, keep them informed to the newest information, even give unique benefits or references suiting to their demand. (Kevin Daum, 25<sup>th</sup> July 2014).

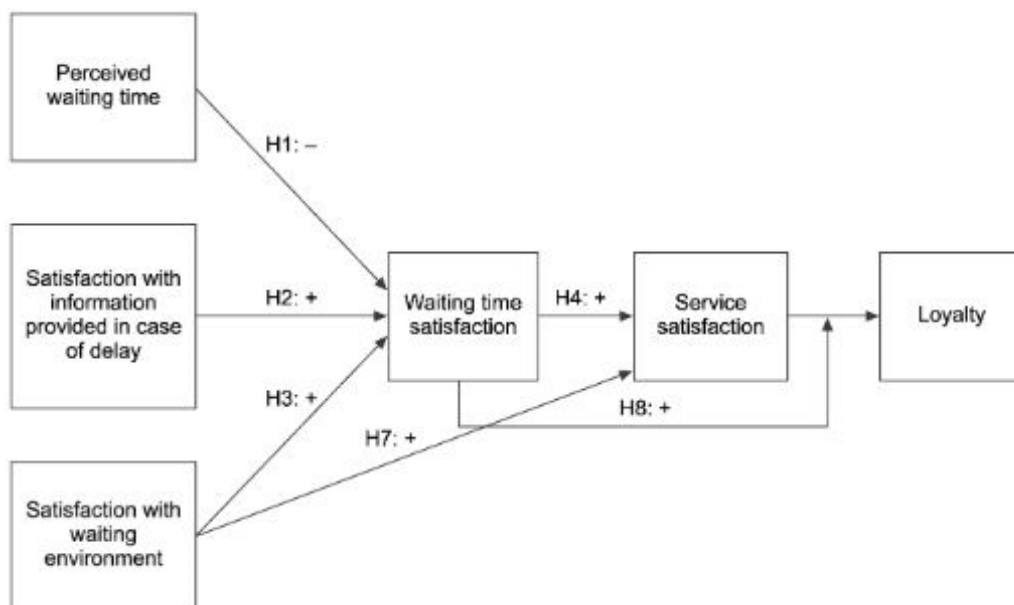
It is powerful to give priority as one of strategies to retain relation with loyal customers because esteem is the second highest position, which refers to personal demand for individual statement, in Maslow hierarchy of need that defines how people rank their

personal preferences from physical to psychological issues. This can explain the need of being respected by others as part of growth needs after satisfying with fundamental demands from the bottom of the pyramid.

The majority of information that people usually adopt only about customer loyalty, but there is still missing term that is employee loyalty, and its importance is equally as same as customer loyalty. Building these two terms goes to long-term investment in order to realize its own values. Frederick Reichheld has discussed about this issue and shown the loyalty chain starting from employee then continue with customer and spreading to shareholders. Employee loyalty brings much meaning to the company as they serve the customer with loyal that potentially make good impression. At this point, the company can gain not only loyal but also creditability to support its brand image and its position in consumer mind.

When loyal employee serve customers they would feel respected and get a handful of information for their purchasing decision, customer loyalty is potentially formed. Maslow's hierarchy could clearly explain the root of loyalty as customers would feel respected and receive a handful of information prior to making purchasing decision.

Waiting time dominates the importance of enhancing customer experiences if customers spend much time to be served, it will decrease their satisfaction leading to negative reviews/recommendations, the reason to seek for substitution and competitive factors for its rivals. The last question for this second part is about loyalty that the author asked loyal preferences at their favorite restaurant, discount offer is the most preferable.



*Figure 7: Waiting time satisfaction: its hypothetical determinants and effect on the satisfaction-loyalty relationship (Source: Frederic B. & Nathalie D., Emerald publishing).*

There is a potential correlation between waiting time that should be taken into consideration with service quality model in order to elevate service standard, satisfy customers, and stand out from that market segmentation. "Reducing waiting time has been an important issue for the service industry since waiting time influences customer satisfaction and their evaluation of service quality." (Wonjae Lee, May 2004).

"Management also can add electronic news boards and a clock that shows estimated waiting time to reduce perceived waiting time and boredom." (Wonjae Lee, May 2004) because Chebat, Gelinas-Chebat, Vaniski and Filiatrault revealed that the amounts of visual information reduced perceived waiting time. Additionally, the waiting environment elements, which are lighting; temperature; music; color; furnishings; and spatial layout, also has an important role in minimizing the influence of waiting time.

It would be perfect to set up waiting station with visual attraction, and entertainment for customer to temporarily forget waiting to be served, create a glass wall between serving area and kitchen to observe food making process, or increase interpersonal interaction by between staff and customer by proactively ask and respond to inquiries.

Simulation was stated on Wonjae Lee's thesis report as one of the optimal solutions in handling waiting time, minimize negative affect leading to discomfort or dissatisfaction. This method is the process of designing, and forming a model that requires a broad range of operation and practice to analyze, and reflect its function in reality in order to gain deeper understanding of a certain case.

### **3.6 Future of service quality and customer satisfaction**

"The most current focus in the twenty-first century is on customer experience that can attributed to consumer empowerment (primarily through the direct control over social media), which in turn is sourced from digital and technological advancement." (Madan, 2017). According to a research from Accenture, "improving the customer experience received the most number one rankings when executives were asked about their top priorities for the next 12 months." (Katherine N. Lemon & Peter C. Verhoef, 2016).

These notions has raised the importance of staying focus on customer experience, it is applicable for all business as a long-term and high priority goal. "Since the emergence of customer experience, many service industries have shifted their attention from service-based to the experience-based economy."(Kim, Cha, Knutson & Beck, 2011).



As experiences would contribute to define that business in the market and support not only its position but reputation and branding as well once it is talked about.

Regarding to psychological aspect “Customer experience refers to the cognitive, emotional, behavioral, and sensorial responses of the customer during his/her purchase journey.” (Tulija R., Johanna V., & Hannu K., 2017) and it becomes “a very important topic among marketing academics.” “Company’s efforts to create an outstanding or perfect customer experience will need to consider the creation of customer’s experiences from both rational and emotional perspectives.” (Pennie Frow & Adrian Payne, 2007).”

According to Gaurav Tripathi and Kartik Dave (Journal of service research 2016, 1-2):”Customers don’t drive satisfaction from food alone but are largely influenced by the service quality factors which are mostly intangible in nature”. This concept from Gaurav has opened to an interesting discussion between service quality and customer experiences that drives satisfaction.

“Customer experience has become a major phenomenon to an individual in a specific event and context”. It is also defined as “totally positive, engaging, enduring and socially fulfilling physical experience” influence customer experience in emotion through effective interface between consumers and providers. Additionally, “it engages with the emotional aspect or arouses the feeling of an individual that goes beyond personal and subjective elements”.

Emotions plays a pivotal and distinguishing element of customer experience. According to a study by Balakrishnan (2011), a customer economic decision is formed on 70 percent on emotion and 30 percent on rationale. “Emotional experience goes beyond physical attributes such as quality and quantity.”(Leventhal et.al., 2006). People usually refer their experiences in a company’s brands, products, or services to others, so “a customer’s emotional experience has a tremendous impact on an organization’s business” (Söderlund & Rosengren, 2007). These experiences easily connects listeners since it arouses emotional and empathetic aspects.

According to a joint research between Chan Suz Jack and Tan Cheng Ling that customer experiences is described as “a new battleground” and “utilized as a business strategy to gain competitive advantage over others”. This is an innovative idea when reflecting in current market situation because focusing on enhancing consumer experience is a stable and concrete plan potentially leading to loyalty level. Meaning

that the business owner cares for a current number of customers rather than taking more with average or low level of caring

Customer's bargaining right is getting heavier than before because of the increasing number of emerging competitors and offers that support them more powerful, skeptical, high level of satisfaction and demanding. Prospective financial performance has always stayed solely in thinking of any business owners, it indeed is not wrong in regarding to survive, and one of the innovative solutions to make it happen is to satisfy all the current consumers. That should be utilized as a business strategy to gain customer advocacy playing the key role in word-of-mouth marketing, strong proof for creditability.

These above definitions has revealed that customer experiences comes from ethereal components which is created from tangible and intangible value that the consumer perceive when they interact with products or services. Delivering the similar or same tangible value could happen in same market segmentation when a company and its rival try to expand its market share. Thus, generating and delivering intangible values is the key solution to win over the competition and bring distinguished experiences to customer. Since that point consumers would come back and become loyal partly thanks to their perception of different service providers.

"Customer experience refers to a customer's perceived overall quality of all the interactions and relationships the customer has with a company and its products and services." (Borowski, 2016). Madan has broken down the interaction term in customer experiences basing on sales process from pre-sales to post-sales or direct sales through sales representative, indirect sales, for example, after reading product or service reviews or having references from networking.

There is a correlation between customer experience and loyalty as "This come from simple things. Happy customer become loyal customers, and they bring in more money: they buy more, pay a higher price, repurchase, tell their friends, complain less and use less care services." (Johanna Vesterinen, 2014).

This notion has some similar points that has been discussed in customer loyalty part. It strongly emphasizes the association of consumer loyalty, employee loyalty and financial performances as using less care services entails to low demand in number of employees in those positions. Because they could probably move to other departments for service improvement and so on, even increasing interaction with

target groups to understand their expectation, listen to them and cooperate to seek for possible solution.

“Loyal customers are willing to share their own knowledge and experience, and they may give valuable input to a company’s development activities.” (Johanna Vesterinen, 2014). The great outcome of value co-creation is the distinguishing customer experiences as people would like to be respected, understand, and listen to their expectation.

“Co-creation has an important role to play in seeking to develop an outstanding or perfect customer experience” (Pennie Frow & Adrian Payne, 2007). As customer is a co-creator of value with the brand in order to tailor that experience suitable to their demand. It seems inappropriate without including target groups to co-create value or determine future needs, because the service providers have to stand on customer’s point of view in order to experience the real pains and figure out the solution. The answer can be varied but the suitable one is quite a few and it needs customer’s cooperation to customize the final version, even the organization could possibly optimize the experiences so customer loyalty is feasible and sustainable in the long run.

“Customer experience is a key transforming the company from “answering to market needs” towards “market making and shaping”. ” (Satu Kalliokulju, Consumer Insights Director at Fiskars). According to Cabinet Maker there is three golden rules to deliver a great customer experience. Firstly, it starts with “divide customers into segments and design a value proposition experience focused on each segment.” (Cabinet Maker, 27<sup>th</sup> June 2014).

It matters in differentiating customer segmentation in order to customize the appropriate offer fitting specific needs and wants for that group. This opinion has waken business owners in generating value proposition since they nearly forget how to deliver it correctly so it can elevate customer experience and leading to loyal in the future.

Secondly, “Focus the entire company on delivering each value proposition with an emphasis placed on cross-functional collaboration.” (Cabinet Maker, 27<sup>th</sup> June 2014). The importance of collaboration among different departments in an organization will probably generate great end-result as it creates consistency and efficiency in employee mindset to deliver outstanding services and strive to reach the initial goals. Defining value proposition clearly will help the employee associating their mind with

the specific goals, which motivate them to give the best of themselves for end-result and bring meaningful to their customers.

It is insufficient without mentioning innovation in customer experience as its role is still set in high priority in order to keep up with our fast pace of life and customer demand deriving from innovative invention to facilitate human beings. The ideal example of applying innovation as one of the key elements to enhance customer experience is Koti pizza- a Finnish pizza chain that its quality has been proven all the time no matter how fierce and demanding that market segment is its reputation still remains and refreshes.

The existence of new market comers has posed threats to a main player like Koti Pizza in that segment. According to the latest speech from Koti Pizza's CEO at food tech event he mentioned that "Innovation as part of customer experience". The statement has been illustrated by a specific action plan and how it is executed as a pioneer in its own segmentation. Getting into social media actively, launching online platform for customer order, mobile apps, and generating special delivery cars are key steps proving Koti Pizza's innovation. The most unique point is its delivery cars as it is furnished with mini oven, and two cold compartment in order to ensure product quality when delivering to the customers.



*Figure 8: A new deliver car with cold compartment and oven to keep pizzas delicious when it comes to customers. (Tommi T., 29<sup>th</sup> Nov 2017)*

Those ideas has once again stated its market share as a leading brand name, taking advantages of technology to elevate customer experience by offering convenience and easiness. The conclusion was re-emphasized profoundly with “Customer experience is rooted in interaction.” and Koti Pizza is an ideal case of aiming to interaction as the driving force to not only scale up their business but also winning their customers.



*Figure 9: The best example of "Customer experience is rooted in interaction" with live chat system and receive orders simultaneously. (Tommi T., 29<sup>th</sup> Nov 2017)*

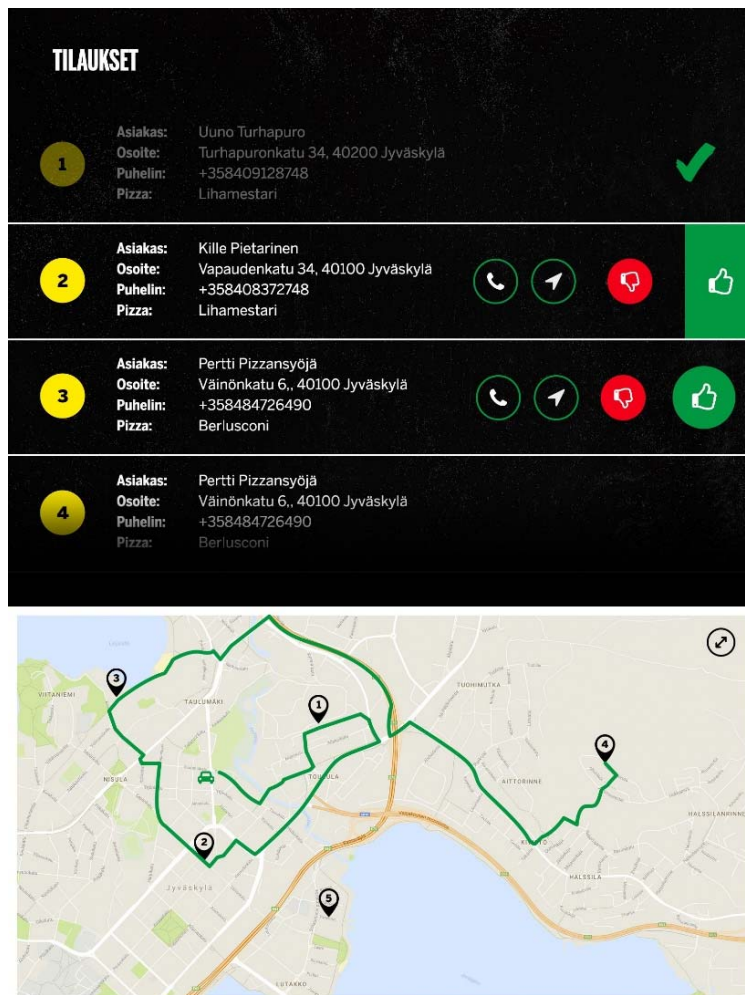


Figure 10: An application to assist delivery man managing their order and bringing to customers. (Tommi T., 29<sup>th</sup> Nov 2017)

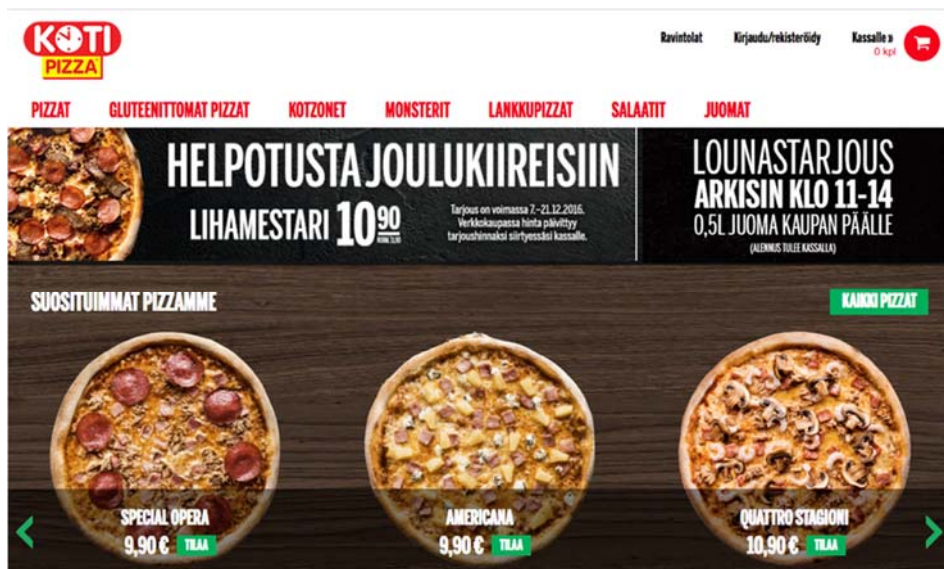
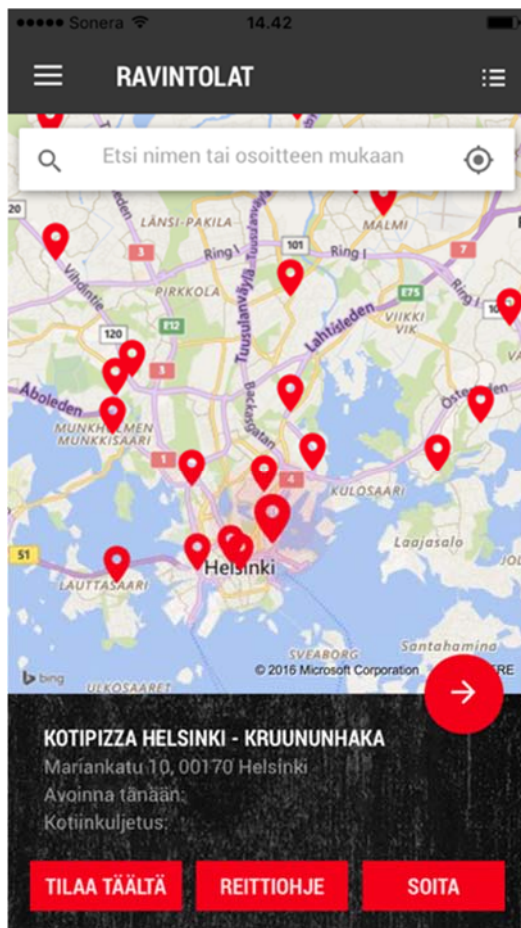


Figure 11: Koti Pizza's new website that allows customer to order. (Tommi T., 29<sup>th</sup> Nov 2017)





*Figure 12: Koti Pizza's mobile app-a brand new pizza ordering system that plays an important role in scaling this brand up and maintain its market position. (Tommi T., 29<sup>th</sup> Nov 2017)*

Finally, it requires “systems and measures in place to deliver a consistent customer experience over and over again.” (Cabinet Maker, 27<sup>th</sup> June 2014). It is necessary to keep track on customer experiences and methods as ever-changing life influences consumer needs and wants which changes frequently to adapt the on-going trends and demands, solve emerging pains and bring new gains.

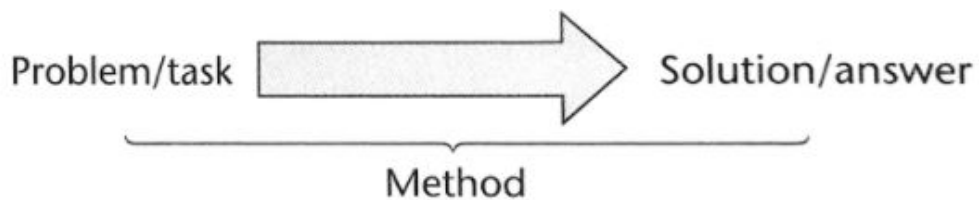
Designing measurement process or method will affect not only current situation but also future development as it foresees possible demands, or discover customer pains. The company will win over the battle when offering the solution prior to waiting for customer stepping forward and raising the issues.

## 4. Research approach & method

The empirical research is one of the key points for this thesis that selected methods are based on thesis scopes that justifies and makes impacts on data analysis and profound consequences. Research description, data collection process, and the chosen methodologies will validate all the information and suggestion transparently.

### 4.1 Research methods

“Research methods are rules and procedures and can be seen as “tools or ways of proceeding to solve problems””. (Pervez G. & Kjell Gr., 2002). The need of designing research plan starts from research problems, and methodologies play a vital role in searching for possible solution. To be specific, research methods will connect the problem to its answer through probing and investigating surrounding factors basing on scientific and creditable practices.



*Figure 13: The use of method in researching (Pervez G. & Kjell Gr.)*

On Research Methods in Business Studies: A Practical Guide, Pervez and Kjell has clarified respectively the primary roles of methods in research as the interpretation approach to desirable explanation, or communication guidelines to prove the exploring process, and accessible regulation to outsiders so that the arguments could be led and monitored skeptically.

After defining research problem and question, it is necessarily to find out the suitable research technique and tools to reach the initial target and gain customer understanding. A successful research requires a relevant methodology in order to achieve well-rounded outcomes. Because each technique has its own strengths and weaknesses that is why combining the suitable tools would be beneficial for this research to understand customer deeply. Choosing the appropriate research approaches is important as it affects data collection and analysis stage.

“Qualitative research is characterized by its aim, which relate to understand some aspect of social life and its methods which (in general) generates words, rather than



numbers, as data analysis.” (K.Mc Kusker & S.Gunaydin, 2015). “The focus is narrowed down to data derived from specific participants and their personal viewpoints and opinions.” (K.Mc Kusker & S.Gunaydin, 2015). The most suitable approach for this thesis aim is to conduct qualitative interview basing on their answer from survey responses. Due to paying much attention on details, the sample is quite small in order to ensure its quality, and gather deeper customer insights. The target respondents are office worker in 2 main genders in order to well-understand different customer point of view regarding to gender and ages.

The analysis process of quantitative research is described as “The extraction of data in a larger volume, using standardized methods that include more generalized samples, where the emphasis is on statistical information rather than individual perceptions.” (K.Mc Kusker & S.Gunaydin, 2015). Furthermore, statistics rather than “real life” scenarios tend to remove the researchers from the emotional and subjective bias that can be more prevalent in qualitative research. Therefore, information and data can be interpreted, utilizing basic figures without the influence of participants compromising neutrality.” (K.Mc Kusker & S.Gunaydin, 2015).

“Quantitative data is more sufficient, able to test, hypotheses, but may miss contextual details. Researcher tends to remain objectively separated from the subject matter.” (K.Mc Kusker & S.Gunaydin, 2015). Because of these drawbacks, a well-rounded research demands the application of different techniques to gather more info from distinguishing perspectives. It requires larger data size than qualitative research.

As the combination of two different research methodologies, qualitative research will support quantitative and vice versa to solve the research problems and deliver valuable data for analysis. “The opening phase of research is enacted by first utilizing qualitative research as a lead in, prior to conducting primary research via quantitative research methodology.” (K.Mc Kusker & S.Gunaydin, 2015).

## **4.2 Data collection process**

### **4.2.1 Interviews**

The opening section of a survey aims to look for interviewees if respondents can arrange their time to help thesis author conducting qualitative research. The thesis author reached and agreed with interviewees by their contact information when they completed the quantitative research, friend networking has been used also. Luckily, most of the interviewees approached via contact info from the survey agreed to support the thesis author.

The author conducted 3 interviews with different cultural backgrounds and gender in order to ensure the quality of data collection for analysis. The first interviewee has opened the author's thinking as cultural influences in customer decision, experiences and reaction toward to specific situations. The rest of the interview was conducted via online at interviewee convenience after unsuccessful re-scheduling. There was some adjustment and focus in the first and the rest of the interview as the author realized the necessary emphasis of customer experience to clarify the present context and preparation for future market leading.

The interviews were held at Haaga Helia Pasila campus after working hour so the interviewee can come after work. The principle interview questionnaire has been adjusted in some questions in order to bring much data basing on survey response. It took around 45 minutes for an interview, and the interviewee agreed to record the whole process in order to facilitate the analysis. Due to interviewee's schedule, online platform has been used to interview and for their convenience rather than traveling to specific venues.

The fundamental criteria to select an interviewee is their survey response with diverse demographic background, attractive hints that the thesis author has never known or foreseen before. Additionally, the willingness of participating the interview is the key criteria and author's schedule. The selection process was flexible and demanding after the first interview to collect quality data and demonstrate the usage of theoretical points to understand customer insights so it will be more persuasive.

#### **4.2.2 Survey**

The survey is one of the main primary data in purpose of find out eating lunch habit of office worker in Metropolitan area to get some ideas for service improvement and innovation. Moreover, it is beneficial for customer understanding to foresee future demands and hidden opinions to unveil customer thinking and explain their reaction toward to specific contexts in restaurant experiences.

The quantitative research is formed as a survey in English via Webropol platform which happened a few week during the summer starting from July posted to over 10 selected Facebook groups to reach the target group, and author's networking, even personal LinkedIn profile. It consists of 4 main parts: general information, lunch experience, cuisine experience, customer satisfaction and decision making with 32 questions rotated automatically according to the answer in some questions in order to categorize different customer groups. So a respondent will answer approximately 20 compulsory questions and the rest is optional based on their answer and references.

When conducting a survey, the thesis author focused on survey creation, testing, distribution, and analysis. It was not a good choice to launch a survey during the summer since most of respondents are in holiday. The survey had some limitation and mistakes that the thesis author has received some constructive feedbacks from respondents which is meaningful and eye-opening to understand the target groups for data collection in the future.

The initial aim was to reach 50 respondents, due to the above obstacles so it was out of reach. In order to elevate this works, the thesis author decided to pay more attention in theoretical research that will gather more perspectives and opinion related to the research question and topic as it is an ongoing issue in any corporations nowadays to transform and scale up their business in competitive market. The actual respondents was 43 containing valuable information to understand target group deeply even though it was not a significant number required in quantitative research

### **4.3 Data analysis**

#### **4.3.1 Result of the interview with office workers**

The interview topic focuses on discovering customer insights into personal factors, and situational factors leading to customer experiences and their expectation. It is aimed to go deeper chosen survey respondents to build up sufficient database for customer understanding. The end result hopefully reveals some hints for ideating new services in order to keep up with customer demand and maintain loyalty. Additionally, conducting the interview will help to find out the reason behind lunch option preferences between lunch buffet and set menu.

Firstly, 2 out of 3 interviewees prefer having lunch buffet rather than set menu/set lunch as it is time saving, food diversity, and affordable price. Meanwhile, the other option is enable customer to enjoy only single dish at a time with a bit of higher price due to its complexity and higher food quality. In fact, basing on personal observation lunch buffet mostly serves with simple and typical food to avoid time consuming and price increasing for example sushi, traditional Chinese cuisine, salad as seen and chosen popularly for lunch.

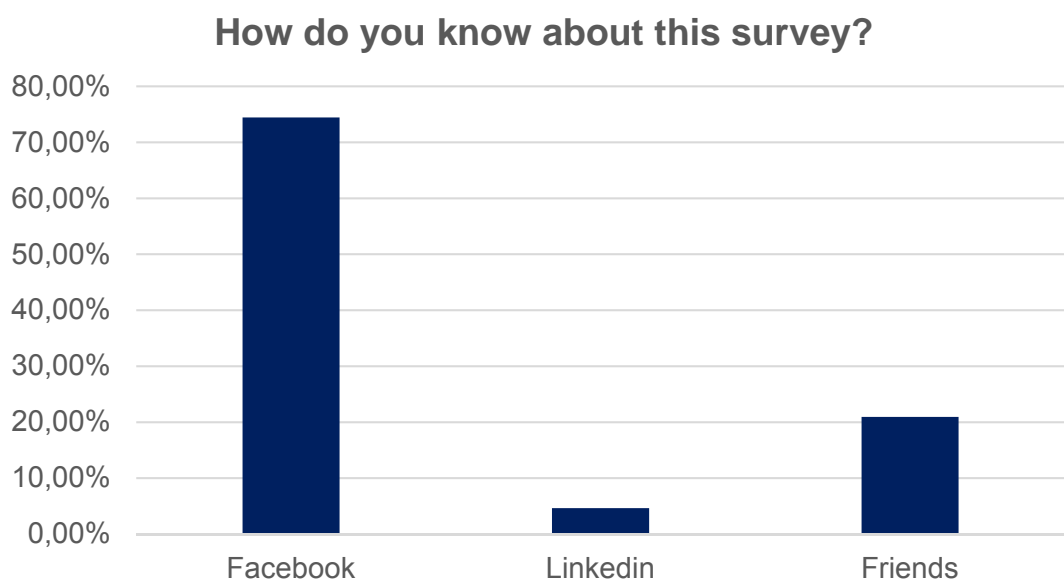
Compared to set lunch, it could be anything from Western cuisine, to special Asian deli but its standard requirements is higher than buffet option as it is well prepared from cooking, food decorating to serving that explains for its higher price. According to the interviewee no.1, the reason why she prefers set lunch because of the limit options so she can save time for eating and choosing food, preventing her consuming more which derives to sleepy-feeling and tiredness after lunch.

Regarding to the above response, lunch buffet could be possible with set-lunch-preferable characteristics by arranging staff to take food with measurement container so that customers can be aware of their consumption, which can prevent food waste, but still satisfy with food diversity. Moreover, it helps to save money as well since price fluctuation depends on container size.

The second part is personal factor which consists of motivation, emotion/feeling and individual opinion in defining satisfaction, loyalty and preferences for better service in future. Feeling/emotions is the key driven to eat out responded by most of the interviewees, like interviewee no.1 will go to her favorite restaurant ,when in good mood or not having busy schedule, in which takes more times to walk from her workplace. Likewise, interview no.2 and no.3 consider going out to get closer with colleagues and old friends, even strengthen personal relations but conversation topic would probably far from working issues to keep confidential.

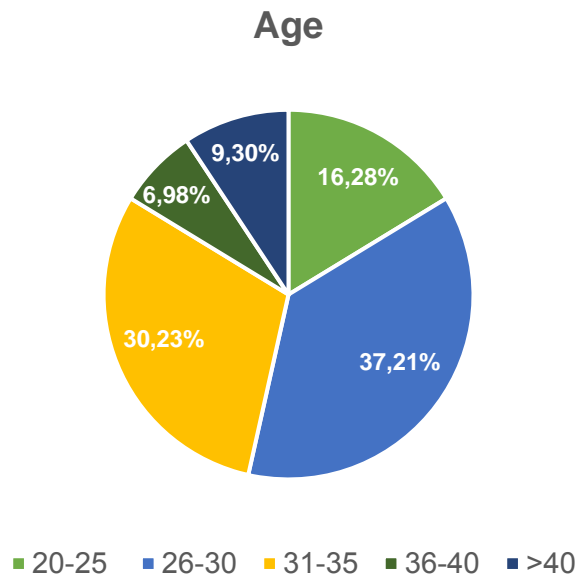
The main reason to go to a specific restaurant is food quality, and in order to have well-rounded experience it requires not only food, services, atmosphere, hygienic, but also available seat to prevent waiting line. According to interviewee no.2, seat availability at a restaurant is crucial to him especially for lunch due to time limits, and tiredness after a half working day. Reservation in advance is preferable to prevent waiting time when arriving to specific restaurants, discount should be considered to motivate customers reserve their seats.

#### 4.3.2 Survey's result



As shown on the graph, most of respondents were from Facebook and female took part in to the survey much on male with 62,79%. Basing on the initial purpose focusing

on young generation who are in working force especially office worker, survey respondents are from 26 to 30 years old, with 86,05% is non-vegetarian but 58,33% like eating vegetarian food.



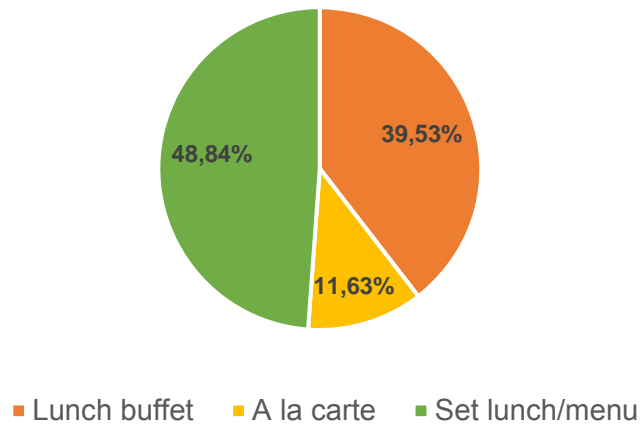
*Figure 14: Age range of survey respondents.*

According to the one of the relevant research posted on YLE 1<sup>st</sup> Sept 2017 the tendency of cutting down meat consumption is increasing with one in five person responded to take meat out from their weekly food intake in comparison with 2007 with ratio one out of ten. Following the article is the explanation for this ongoing trend of decreasing meat intake due to health, ecology, and ethics which are still common reasons since then beside personal taste.

Moreover, the availability and diversity of grocery options to satisfy vegetarian demand has motivated human being following this trend continuously free from worry of lacking of nutrition and mineral. The existence of meat substitute products has added consumer daily taste far from boring and demotivating with pulled oats and soybean-based items.

The article also revealed that young city female tends to cut down meat consumption out from their meal; meanwhile, middle-aged or older male are keen on consuming animal-based products. This research, however, has given profound glimpse of vegetarian trend and supported thesis research's statistics in the noticeable number of respondents interested in vegetarian food and willing to go with non-animal eating habits, and below-average figure in committed-vegetarian.

## How do you prefer to have lunch?

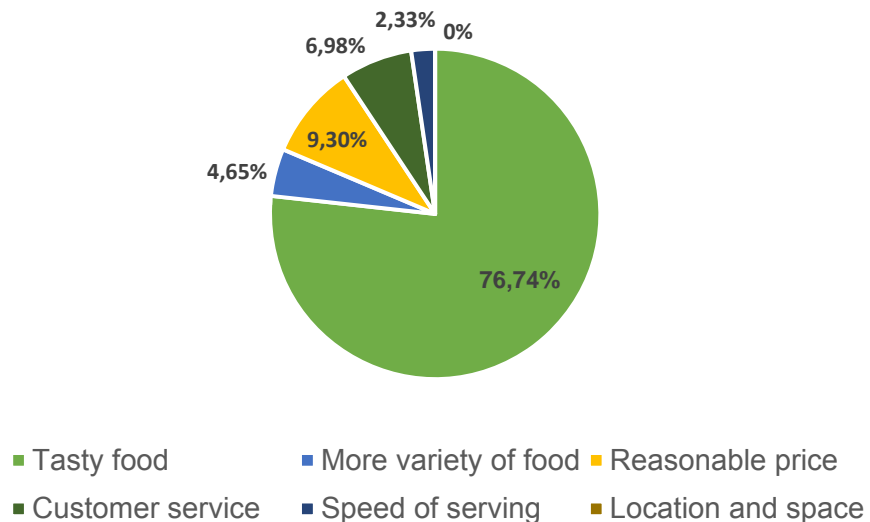


Having asked about how respondents prefer having lunch, set lunch/menu dominated other elements with 49%. As mentioned before, the purpose of conducting the interview is to get deeper customer insights behind their survey respond. A la carte accounts for the smallest portion of the chart due to its pricey and time consuming; meanwhile, lunch buffet is gaining its popularity because of the diversity of food served at the same time so people are freely to choose what they want and how much they can consume without being afraid of extra charges. Set lunch/menu will be changed daily with limit options to choose at a time.

To the best of my knowledge, serving lunch buffet takes less time than set lunch/menu which is cooked once receiving orders; in the meantime, all-you-can-eat lunch is set up beforehand and waiter or waitress just refill once it is near to empty. On the other hand, buffet option always choose simple food which takes less time to prepare and generate profit to an owner. It is understandable at profit perspective because of the fixed price that should be balanced with common market price, having complicated food will incur higher price.

Having answered the importance of satisfaction, personal, and situational factors affecting your decision and fulfillment toward to a specific restaurant, grade 1 was chosen mostly with 90,7%, 88,37%, 69,77% respectively. It can be concluded that these above elements don't influence customer satisfaction leading to loyalty later on, but food quality has great impact at this point as shown below.

## Which is the most important factor contributing to your satisfaction?



The pie chart revealed that tasty food contributed the significant percent followed by reasonable price with 9%, customer service stayed at 7%. It clearly explains that the ignorance of service factor has widely accepted because there is no pioneer or alert to raise the issue at the same time of controlling competitive price which is in the second position of this graph.

Beside food quality is a must to attract customer loyalty, service element contributes its impact as well even though consumer normally don't pay much attention to service factors but it is surprisingly listed as one of the key reason to explain their loyalty. "Why you become loyal at a specific restaurant" has convinced business owners about the essential of service quality in restaurants beside continuous effort of creating great food, as the significant number of answer mentioned about service element.

It means that customers still consider service aspect, but there is no effective plan to elevate its importance and influence customer thinking. Combining different factors will potentially inject business activities livelier, more competitive, healthy competition, and positive market view as each restaurant or organization can easily and freely choose the key issue by generating distinct solutions to solve and be dominant in that market segment.

Good quality of food, friendly service and flexibility for "special wishes" make me come back to this restaurant.

Good food, good service

I might become loyal to a restaurant if firstly the food is at least okay-ish. Secondly, if the customer services are excellent, and I got familiar with the staff there or have memories there. Lastly, it is convenient food, I do not have to prebook or wait for such a long time until when I could be served.

Mostly because of good experiences at that place. If they have food that I like and that my friends and partner (who is vegetarian) like, if the price is reasonable, and the service is friendly, and the space is welcoming (not too loud, not too empty).

Also, the distance to a restaurant from their workplace has contributed to be one of the reason to become loyal at a restaurant like some of survey answers mentioned.

Because it is near to where I live, and I enjoy all the dishes they are offering there.

It has pizza for a reasonable price (5-10 euro) and is just 3 min from my home / Working place

### 5.1 Customer journey analysis

“A customer journey map is a visual representation of the beginning-to-end journey a customer makes with a company's brand, products, services, and people that primarily includes three touch point from customer's point of view: key moments, and evaluation points in the process, positive and negative components of the experience, and attitudes, and emotions (lows and highs) that may come into play.” (Madan, 2017).

Planning to enhance customer experiences and generating intangible values, customer journey plays a pivotal role in customer understanding by breaking down the big picture of their visit to business venues or using certain services. Through that, the business owner could be aware of customer pains to interfere and provide them incentives to overcome, adjust or develop current products to relieve that discomfort. “Customer journeys are much more dynamic and interconnected than ever before.”

Inman also emphasized the end-result of implementation “The customer journey mapping should be derived from an organizational level detail and process-oriented customer-centric service blueprint that also links customer experience with financial outcomes.” (Inman, 2006)

As revealed in customer journey are not only customer pains, gains, but also customer touch points that Laura Patterson-the President of Vision Edge Marketing defines “A touch point is any interaction (including encounters where there is no physical interaction) that might alter the way that your customer feels about your product, brand, business or service.” (The Interaction Design Foundation, Nov 2017).



Kim Flaherty has concluded her definition “A touch point represent a specific interaction between a customer and an organization. It included the devices being used, the channel used for interaction, and the specific task being completed.” (Kim Flaherty, 2016). Having the same opinion with Kim Flaherty, Adam Richardson has seen a touch point as the interaction between customer and brand on his article at Harvard Business Review.

The common thing at those above definitions is the interaction which customer starts their journey with certain products or services, aroused feeling or emotion happens to bring the user closer to their choices. The interaction could be physical by touching, smelling, tasting or non-physical by seeing through window display, pictures, TV commercials...

However, the misunderstanding could happen in the perception of touch point and channel since it has some similarities. Jeanie Walters has differentiated on her article “Channels are your view, as the company, and are a way to understand where customers come from and how they interact with you. Touch point are more precise and specific. Online could be a channel. “Online chat” could be a touch point.” A simplified definition is “A channel is where the interaction take place.”

Jeanie also raised her experiences in understanding customer touch point that consume much time and effort but its benefits overshadows all challenges and difficulties. “If you organize your touch point (the customer perspective) against your channel strategy (your company perspective), you can have a clear vision for where your priorities should lie. It becomes obvious that while your online channel is working pretty well, your in-store experience is suffering due to lack of care.”

To Adam Richardson’s point of view, when having a look at the touch points as a collective whole it “will help you shape them for a better customer experience, and perhaps even point to opportunities to invent new types of touch points.” Furthermore, breaking down the whole picture of customer journey in general, and customer touch points in particular would be helpful to realize the underlined problems that trigger customer experiences negatively so that the business owners could diagnose the situation to improve or fix it on time. Because the longer it happens, the worse things could come to that business and even affect to financial performance.

One of the customer-related articles from Interaction design foundation has emphasized the importance of understanding customer touch points because “Without that understanding it would be impossible to measure any improvements or indeed to

see if changes made to those interactions were having detrimental (rather than positive effect)". As a matter of fact, the business owner could put themselves into customer position and follow the journey to deeply understand, empathize, and scale up their business with future development and keep up to customer expectation and satisfaction.

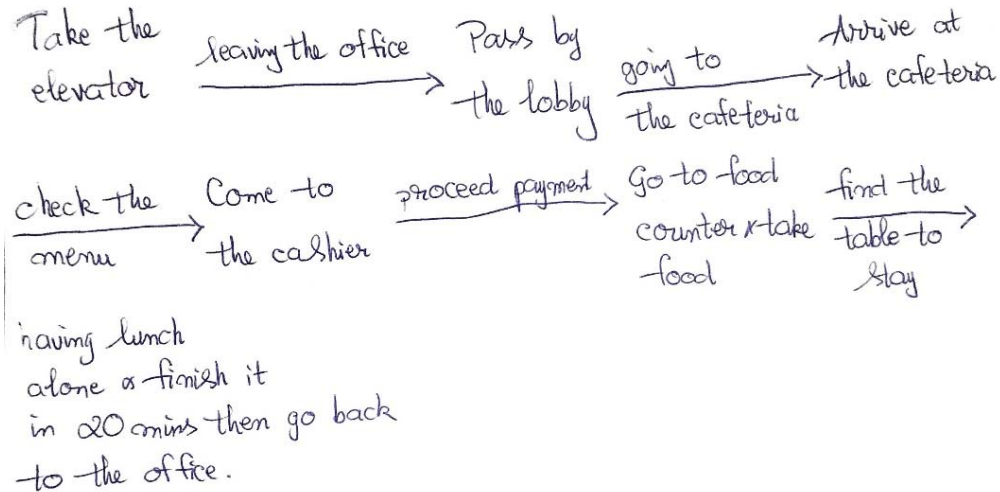


Figure 15: Journey from interviewee no.1

Having asked about describing her journey to lunch at work thesis author has written it down basing on the interviewing record. The interviewee no.1 usually had lunch alone at the building cafeteria, she would prefer having lunch at nearby restaurants once, she accompany with some colleagues, and when she does not have much workload on that day then she gives herself a relaxing lunch at a favorite restaurant nearby.

Time is the first criteria for her to choose the place for lunch, because of that the cafeteria inside the office building is the good choice when her workload requires minimizing the time for lunch; weather demotivates her going out, and not having colleagues going together. In spite of being aware of the fluctuated quality and limited menu in there, but the convenience has overshadowed other sub-criteria and favor.

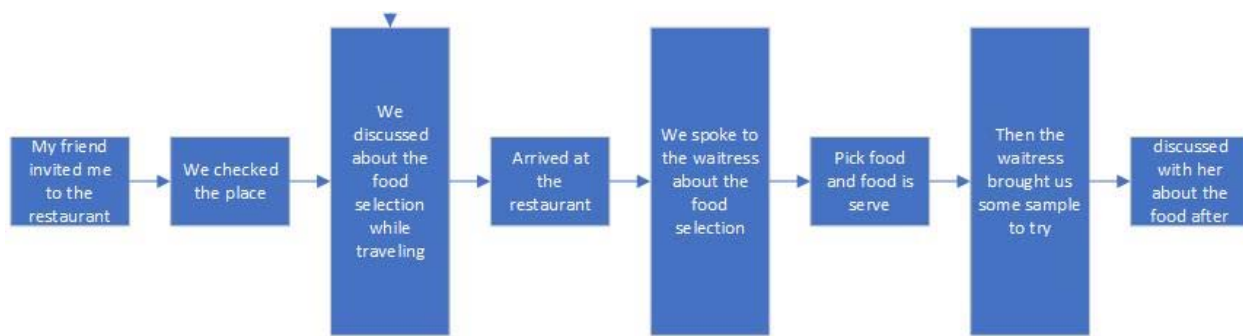
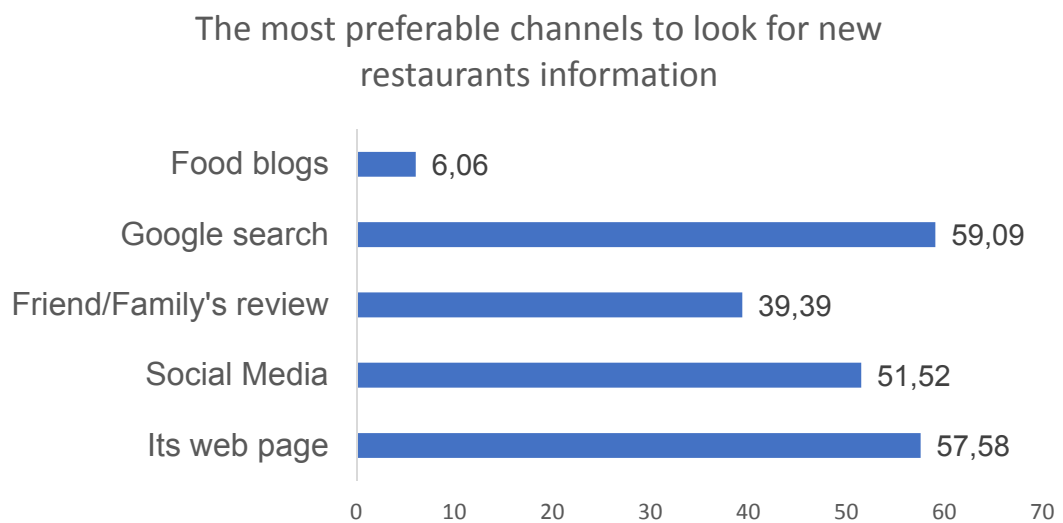


Figure 16: Journey from interviewee no.2

The interviewee no.2 drew her journey how she made decision of going to a restaurant in which she prefers meeting old friends or colleagues. The journey has 8 steps in total started from accepting invitation to discussion after meal. This interviewee prefers indulging new food experiences as she has place checking step; meanwhile the previous respondents goes with favorite places nearby.

According to one of thesis author's research during her study, Google search accounts for the largest portion with 59,09% of channels customers look for new restaurants followed by restaurant's web page, and Social Media.

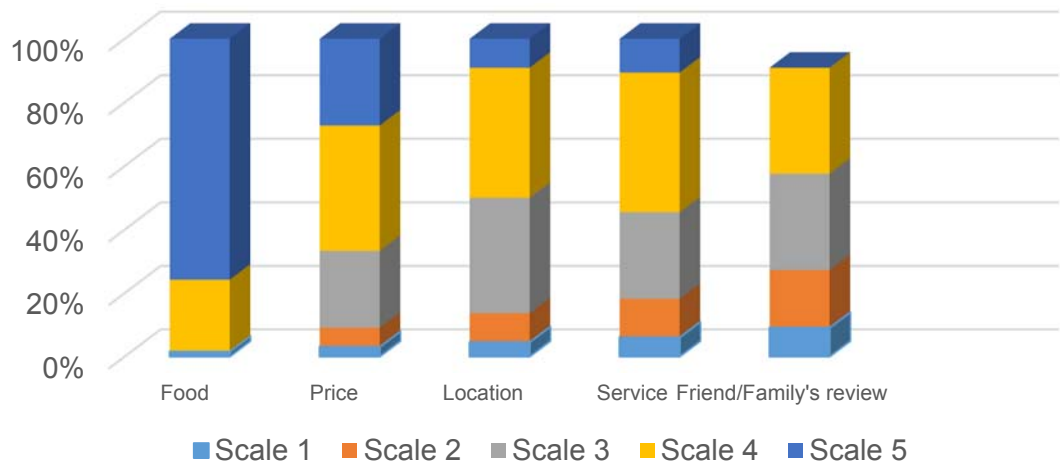


Service could potentially start from the time customers get to know about a specific restaurant, the availability of information and the interaction with its Social Media channel that is crucial to affect decision whether searching can turn into conversion or not. Then it will proceed to first moment arriving at a restaurant with surrounding ambience, welcoming section, and recommend special dishes.

Knowledgeable staff should be considered as it will light up customer's excitement and perception of professional standard toward to a place they come. Even though food quality accounts for higher priority of being loyal, but service still contributes tremendous portion to maintain customer loyalty and elevate a specific place in its

market. According to the above journey, after indulging the interviewee no.2 discussed with her friend whether it is negative or positive experience.

### What are the most important criteria when you choose a restaurant to eat out?



Even though grade 5 accounts for the largest portion in food quality, we couldn't ignore the importance of service quality that is graded 4 mostly instead of 5. Because service includes a chain of practice and effort, and a single above element is unable to bring distinct moment.

## 5 Conclusions and recommendations

This is the last chapter of this thesis which present 4 main parts: conclusions to findings, validity and reliability, suggestions for future improvement, and personal learning during thesis process together with key insights for thesis author's specialization.

### 5.1 Customer insights and suggestions to business owners

"Customer insight is typically conceived of a strategic asset, but its definition is often vague or absent" (Emanuel S., Emma K. M., Hugh N. W., & Javier M., 2015). To be more specific, it is widely recognized as the valuable customer info for any companies that help to get deeper comprehension about its target group and foresee upcoming demand to catch up with all the changes and necessary adjustment.

People often misunderstand the differences between customer insights and customer information which is considered as raw data required transformation to become valuable insights for any organizations. Due to its differences, some challenges has been arisen to generate customer insight from customer information which is available from media channels, data capture..."At a broad level, customer insights involves

exploration, as customer insights come into organization or is generated within it, and exploitation as a result of deploying customer insights as a resource” (Emanuel S., Emma K. M., Hugh N. W., & Javier M., 2015).

“Customer insights is essential for optimizing market offerings and associated returns.”(Emanuel S., Emma K. M., Hugh N. W., & Javier M., 2015). This statement is a typical example of emphasizing the importance of customer insights to scale up businesses in the perspective of ideating new services to adapt customer demand, and become a market leader.

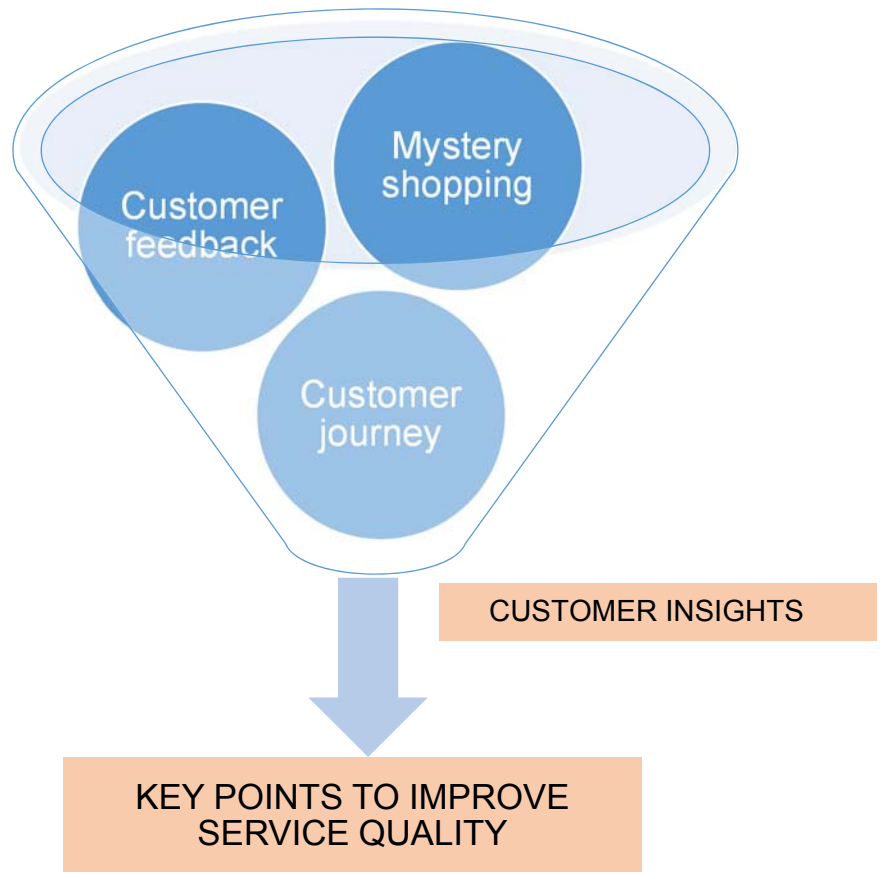
In terms of thesis scope, customer insights is collected from qualitative and quantitative research in which valuable data reveals some potential to come up with new service ideas. Having gone through data collection and data analysis, most of respondents ignore service factors because of not being aware of its importance in elevating their experiences. On the top of that, business owners have given low weight to the crucial role of service for future development.

Pricing war has never failed its debate in business, even customers are willing to follow that lead to lean on price level for decision making. Nevertheless, service can possibly become one of the competitive factors either alone or combine with pricing strategy. Moreover, services includes not only customer services such as serving attitude but also surrounding elements like music, decoration, and how to make customer comfortable in a long line. All in all it requires forward-thinking business owners, and up-to-date knowledge to lead the development appropriately.

Investing in customer service does not mean only in serving standard but also surrounding elements to elevate customer experiences and bring to them memorable moment when visiting any places. Although quality is crucial but success formula requires the combination of other factors not a single factor, and service is not beyond that.

As discussed in this thesis, the benefits of providing advanced service quality is foreseeable and sustainable for business development to achieve customer loyalty. Basing on preliminary research, and thesis author’s perspective, it is necessary to collect feedback through survey-based platform or randomly ask to analyze customer insights, conduct mystery shopping at your competitors’ business to observe their activities, and even at your own business place to get to know the current situation. Importantly, conducting customer journey should be included to measure and examine

customer experience, and ideate innovative ideas to continuously elevate customer feeling or moment.



*Figure 17: Filtering process to collect customer insights and find out key elements to improve service quality.*

## **5.2 Conclusions to findings**

Customer service is the key activity in service industry in order to enhance customer experience before, during, and after making purchasing decision. However, it hasn't been given high weight by small and medium business owners, as their main focus is only product quality rather than other elements. Even though it does not bring direct affect to customer feedback, it is in supporting position to elevate their experience.

Additionally, due to the typical characteristics of customers in Finnish market that service providing is still undertaken. To be specific, consumers try to reduce interpersonal interaction with staff at a restaurant as they are shy and not get used to of being served by someone else, even prefer self-service to proceed lunch time faster and save time to go back to work. This notion has been noted down during one of this thesis interviews. Because of that, most of the small and medium business owners haven't paid much attention or taken that gap to be a pioneer.

Given living in fast-pace-of-life, time consuming is the first priority in inventing and providing new services. The ideal example is in food & beverage during lunch time

since the limit reserving time for it, most of the customers might be hard to associate their lunch as a relaxing time to recharge the energy in the middle of the day which contributes to their good performance at work.

Basing on the above facts, most of the small and medium restaurants have chosen self-service, increased speed of handling orders, decreased waiting time by improving food making process rather than bringing new experiences with pioneer service invention. So that lunch time can fulfill its new mission as a relaxing and energy-recharging time.

The objectives of this thesis have adjusted to scale up its values with in-depth theoretical and empirical research. The first objective is to gain customer insights and awareness in Finnish market about services in restaurant business, and falafel places is taken as an example because of its popularity and availability at current market. Secondly, having observed the ongoing situation, the necessary of simplification of customer-service-related terms has inspired the author to take initiative together with personal interest and gain experiences to clarify future visions of running a sustainable restaurant business. Eventually, some possible solutions has been suggested basing on the author's experiences and research result to nurture the future of impressive, unforgettable customer experiences and outstanding customer services with comprehensive knowledge and consideration.

Some necessary concepts such as customer understand, customer perception, customer experiences, customer behavior, especially customer journey as an innovative tool, and customer insights have played a pivotal role to support the idea of bringing outstanding customer service which requires in-depth comprehension about target groups. Those definitions have opened thesis author's thinking a lot in an advanced understanding and application from her interest. The thesis research could be taken as a principle and meaningful practice or showcase to any business sizes in suitable adjustment regarding to each specific market, type of business and products.

### **5.3 Validity and reliability**

"Validity can be generally referred to as the level of accountability and legitimacy that is strived through data collection, analysis, and interpretation. (Omar Gelo, Diana Braakmann, & Gerhard Benetka, 2008).

So as to answer the research question, the author has gathered information from both primary and secondary sources. The primary resource is mainly from quantitative survey research and qualitative interview research from focus group in different

working background. Survey questions was first launched at the end of June and opened during the summer and reopened sent to some of author's networking for further information regarding to expanding the thesis scopes. It was not a good idea to conduct data collection during the summer because of the holiday so the process has taken longer time than expectation but it was all valuable data to entail to trustworthy result.

The thesis author is sincerely thankful to the great support and willingness from survey respondents and friends for continuous participation in taking an interview. The major research focus is to qualitative data as its quality and in-depth customer understanding with unopened insights from consumer thinking and perception that triggers author's attention and interest to find out the reasonable explanation for her curiosity.

The secondary information has taken from trustworthy and valid sources, which are books, creditable websites, academic resources from school, and journals. Given having the main focus on theoretical research, majority of thesis process has well-spent on reading, skimming, and selecting meaningful materials for topic expansion and its depth to deliver the real values and profound glimpse of customer services in future context and constant action. It has indeed impacted author's opinions and initial interpretation, future concern and its familiarities to sales and marketing major. Nevertheless, the validity of thesis research can be considered in a short period of time and limited business perspectives as its aim is only in food & beverage business and service sectors.

Further theoretical research is fundamental to revise stereotype approach with the latest research and tendency to quickly adapt the key strategy and maximize its performance.

#### **5.4 Suggestions**

In order to ensure the success of consumer research to prospect a future plan, the single strategy might be challenging to achieve that. So, aligning other strategies that is best suit to reach the initial targets, it is recommended to utilize digital platform for customer understanding basing on their search, which reveals their habits of using or purchasing a certain thing.

As mentioned quite many above, but there is some aspects that this thesis is unable to cover or not having plan to discuss further as it is not as innovative as others in comparison with other suggestions. Having conversation with customers actively can be one of the most effective approaches to capture their satisfaction on time whether



having any pains during their visit or not, if yes then quick reaction is meaningful in that situation to heal it.

“Customer loyalty is about much more than repeat purchases. Indeed, even someone who buys again and again from the same company may not necessarily be loyal to that company but instead may be trapped by inertia, indifference, or exit barriers erected by the company or circumstance.” (Frederick F.Reichheld, Dec 2003). Admittedly, Frederick also stated on his research that “A loyal customer may not make frequent repeat purchases because of a reduced need for a product or service.” Consequently, relying on customer purchasing frequency is not reliable to conclude customer loyalty anymore as it needs to lean on other factors that could be recommendation to their networking regardless of their intention of repurchasing or not.

In order to define what actually more than repeat purchases as one of the signals for loyalty, Frederick concluded his long-term research with this statement “Loyalty is the willingness of someone-a customer, an employee, a friend-to make an investment or personal sacrifice in order to strengthen a relationship. For a customer, that can mean sticking with a supplier who treats him well and gives him good value in the long term even if the supplier does not offer the best price in a particular transaction.” (Frederick F.Reichheld, Dec 2003).

It is a huge benefit behind repurchasing behavior in customer loyalty like common mindset when it comes to the loyalty topic as “Customers act as references, they do more than indicate that they’ve received good economic value from a company, they put their own reputations on the line. And they will risk their reputations only if they feel intense loyalty.” Increasing income is one of the key factors influencing buying repetition, because customer will move up their demand ladder but they still bet their credit to a brand or service and recommend to someone else.

On his research, Frederick correlated customer loyalty with company growth for future profitability in terms of referring their networking to specific trusted services “The tendency of loyal customers to bring in new customers-at no charge to the company-is particularly beneficial as a company grows.” In fact, it is a tremendous marketing cost to acquire new customer through advertising and promotions even difficult to drive company grow profitably in such ways. “The only path to profitable growth may lie in a company’s ability to get its loyal customers to become, in effect, its marketing department.”

Customer referrals seemingly acts as promoters which is also known as word-of-mouth marketing. Another research pointed out the correlation between a company's growth rate and the percentage of company's promoters those voluntarily recommend or refer their experience with a brand or service to others. It is clear to see the correlation between customer loyalty, company's growth rate, and word-of-mouth marketing or volunteer promoters.

In conclusion, customer loyalty is the measurement of qualified service quality. Market research is not an optimal choice to reflect customer loyalty as it is valid solely to evaluate service quality level and "Customer feedback program should be viewed not as market research but as an operating management tool." (Frederick F.Reichheld, Dec 2003). The main takeaways for business owners here is to keep customer surveys simple and short that the outsiders have to understand and be able to take part in that research when designing any researching questions. Additionally, the outcomes of customer loyalty should be examined "The relationship between customer responses and actual purchases and referrals."

So, customer referrals can become one of the key indicators to the success of qualified service quality as discussed above.

### **5.5 Personal learning**

The thesis author has learnt a lot during thesis process since she is self-motivated, and proactive to seek for the answer and feedback from others in order to revise her research and structure. The whole process has brought much meanings for the author's pursuit and study as she has applied her knowledge with current business situation to adjust situational context, high demanding market, and discover her potential abilities and interest in service marketing together with human understanding.

In spite of having experiences of using Webropol before, the author has still gained much useful tips in using this research platform as a detail-oriented person, skeptical and serious attitude to finish her thesis. After all, she is confident to give advices to any fellow students of utilizing researching platform in general and Webropol in particular.

Rescheduling quantitative research should take into consideration since it happened at the time when most of target respondents is in summer holiday, which poses stress to thesis author to figure out how to collect enough data for analysis. Having collected the first interviewing data, the author had a great inspiration to elevate her report with innovative concepts that she acquired during her study.

During collecting process, the author has some interesting points about designing survey questionnaire, which makes survey responses more meaningful and give much information to understand target group. It influences author's ideas in adjusting current questionnaire in order to approach another potential target audience for the research and ensure data collection for analysis.

The motivation for the whole thesis is author's experiences in many restaurants around Helsinki metropolitan area, personal interest of services in general and how to innovate it in the future to elevate customer experiences and retain customer loyalty. Thesis topic is also meaningful to the author because she can apply her acquired knowledge to observe its influence in reality and adjust it suitably for further usage.

Thanks to the thesis topic and personal interest, the thesis author has scaled up her works with advanced theoretical points meaningful for future point of views. Moreover, the author has found the correlation between psychology and service marketing that excite her to pursue for marketing career after thorough consideration in personalities and abilities.

Service marketing is the art of marketing strategies, especially branding, and psychology as it helps to understand target consumers deeply from thinking to the right action. Human understanding seems to be a backbone for service marketing as any marketers should be aware of ever-changing need to lead future demand and consumption even retention throughout the time.

Combining between service quality aspect and advanced knowledge acquired during studying is the most significant and fascinated point in this research as it shows the future picture persuasively to any organizations in not only Food & Beverage business but also service industry. Furthermore, it is applicable for any business owner's mindset in strategic planning to gain bigger market shares and be competitive during the time.

In a nutshell, this research would be meaningful to open-minded and ambitious managers to nurture, transform their business as it is replaceable for old-fashioned and stereotype thinking in customer service with limit consideration underlying factors. Those are vital to run a business in our ever-changing society as it influences customer demand and volume, even raise the importance of customer understanding with in-depth research and appropriate strategies.

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# APPENDIX

## SURVEY

### 1. Research question

How much customers satisfy with current restaurant services and lunch options?

### 2. Aim:

- Get the idea of what really satisfy customers
- How much satisfaction affects customer decision
- How much product, service, and price satisfy customer
- How product, service, and price affect customer's decision. Which one is the most important?

### 3. Method:

Questionnaire, webropol

### 4. Questionnaire:

## GENERAL INFORMATION

### 1. Email (If the correspondents are willing to help the author with qualitative interview research)

### 2. How did you know this survey:

- Facebook
- LinkedIn
- Friends

### 3. Gender:

- Male
- Female
- Other

### 4. Your age:

- 20-25
- 26-30
- 31-35
- 36-40
- > 40

### 5. Your occupation

### 6. Location of your workplace (area, name of the street)



7. Marital status

- Single
- Married
- In a relationship

8. Do you have children? (If the answer is Married)

- Yes
- No

9. Are you interested in vegetarian food?

- Yes
- No

10. Are you a vegetarian?

- Yes
- No

## **LUNCH EXPERIENCES**

(This section focuses on discovering how respondents have lunch at their workplace, and the reason behind their choices and opinions.)

11. What do you usually eat at lunchtime? (Multiple choice answer)

- Normal salad (salad bar or box at nearby markets, prepare your own salad)
- European cuisine (carrot soup, grilled salmon, potato, meatballs...)
- Asian cuisine (Thai food, Vietnamese food...)
- Middle East cuisine (falafel, kebab, hummus salad...)
- All of those mentioned above but vegetarian options.
- Others

12. What is your opinion about falafel itself in those places?

(if the answer is either Middle East cuisine, or all of those mentioned above but vegetarian options).

(1 is the lowest score, and 5 is the highest score)

- Tasty
- Reasonable price
- Have more variety of falafel (spinach falafel, beetroot falafel...)
- Speed of handling orders (fast serving, and making food ready...)
- Have more options to mix with (for example: pita bread, salad, hummus...)

- Others

13. How do you prefer to have lunch?

- Lunch buffet
- A la carte (Food can be ordered in separate items from a menu not from part of set meal).
- Lunch menu/Set lunch

14. Where do you usually go for lunch?

- Company's cafeteria
- Nearby restaurant
- Food delivery services
- No, I bring my own lunch
- Other

15. How much are you satisfied with your choice of place?

(1 is the lowest score, and 5 is the highest score)

- Company's cafeteria
- Nearby restaurant
- Food delivery services
- Other

16. Why do you choose to have lunch in these places? (Multiple choice answer)

(If the answer is nearby restaurants or company's cafeteria)

- Time saving
- Reasonable price
- Friendly service (cheerful staff, cleanliness, spacious...)
- Delicious and more variety of food
- Others

## **FALAFEL EXPERIENCES**

(This section will discover customer insights at some Falafel places that they used to come.)

### **WHAT IS FALAFEL?**

*Falafel is a "small croquette made with fava-bean flour or ground chick peas (garbanzo beans), seasoned with toasted sesame seeds and salt, often served in pita bread." It is scrumptious, round, golden-brown croquette, crispy and crunchy from the outside, warm and moist on the inside.*

17. Have you ever eaten falafel?

- Yes
- No

18. Would you like to taste falafel in the future? (if the answer is NO)

- Yes
- No

19. Which restaurants do you usually go to eat falafel?(name of restaurants)

(If the answer is YES)

20. How much do you satisfy with these places (scale from 1-5 for each place, 1 is the lowest score, and 5 is the highest score)?

(If the answer is YES)

21. What is your opinion about falafel itself in those places? (If the answer is YES, scale from 1 to 5)

- Tasty
- Reasonable price
- Have more variety of falafel (spinach falafel, beetroot falafel...)
- Speed of handling orders (fast serving, and making food ready)
- Have more options to mix with (for example: pita bread, salad, hummus, salad sauce...)
- Others

22. How would you prefer having falafel at a restaurant?

- Mix available ingredients to have my own style falafel dishes
- Having a list of falafel dishes to choose
- All mentioned above

23. Would you like to mix your own falafel dish at a restaurant? (A customer will choose different kinds of bread (pita, burger...), hummus (traditional, pepper, garlic...), salad, sauce (tahiti, thousand island...), and falafel (spinach falafel, sesame falafel...).

- Yes
- No

24. Why don't you want to mix and make your own falafel meal?

(If the answer is NO)

- Time consuming

- Risky (I am afraid of it tastes weird when I have no knowledge to mix)
- Not have motivation to mix and make
- Others

25. What is the best time to go to mix-own-falafel-meal restaurant?

- At lunchtime
- At dinner
- At anytime

### **CUSTOMER SATISFACTION AND DECISION MAKING**

This last section aims to understand customer decision making process and criteria, satisfaction with your choice of restaurant, loyalty, and perception.

26. How do you describe your satisfaction when going to a restaurant? (Multiple choice answer)

- Tasty food
- More variety of food
- Reasonable price
- Customer services (friendly, cheerful, and helpful staff...)
- Speed of serving and making food ready
- Location and space (accessible, clean, spacious, nice design...)
- Have children's playground
- Others (please list it)

27. How are these factors important to your satisfaction? (Scale from 1-5 each answer)

- Food (tasty, more variety of food...)
- Price (reasonable, affordable...)
- Customer services (friendly, cheerful, and helpful staff...)
- Speed of serving and making food ready
- Location and space (accessible, clean, spacious, nice design...)
- Have children's playground

28. Which is the MOST important factor contributing to your satisfaction? (Choose only 1 answer)

- Tasty food
- More variety of food
- Reasonable price
- Customer services (friendly, cheerful, and helpful staff...)

- Speed of serving and making food ready
- Location and space (accessible, clean, spacious, nice design...)

29. Does your satisfaction affect your decision of where to go and what to eat?

- Yes
- No

30. Does personal factors (happy or unhappy, energetic, sorrow, health condition, tired or not...) affect your satisfaction and decision?

- Yes
- No

31. Does situational factors (birthday party, weather (rainy, sunny, or cloudy...), whom you go with) affect your satisfaction and decision?

- Yes
- No

32. Are you a loyal customer at any restaurant?

- Yes
- No

33. Why do you become loyal to those restaurants? (If the answer is Yes)

## **INTERVIEW**

Survey respondents can leave their contact info if they could help thesis author go deeper with their response by participating interview.

### **1. Research question**

Which factors will interfere with your satisfaction and decision toward to a restaurant?

### **2. Aim**

- How much customers pay attention to service, price, and product quality
- How they define their satisfaction in cuisine
- Customer journey shows their way to new restaurants
- How customers are familiar with mix-and-make their own meal
- Are they willing to try this new restaurant style? Their expectation in price, product, and service quality.

### **3. Method**

Face-to-face interview, recorder will be arranged

### **4. Questionnaire**

## **CUSTOMER PERCEPTION**

4.1. Which criteria is more important to your satisfaction when coming to a restaurant?

(Put from 1-3 for service, product quality and price)

4.2. How do you understand about service (customer service, friendliness, speed of serving...) in restaurant business?

4.3. What is your opinion about services of current restaurants that you have gone so far?

4.4. What do you usually do when you visit a restaurant and unhappy at some points?

4.5. What is your favorite time to come to a restaurant?

4.6. Which factors will make you pay less attention to price regarding to service and food quality?

## **PERSONAL FACTORS and SATISFACTION**

4.7. How often do you prefer indulging in new restaurants/cuisine?

4.8. How personal factors affect your decision of going to a restaurant?

4.9. Whom do you prefer to go with?

4.10. What is your motivation when going to a restaurant?

4.11. (If they have children) How much do you pay attention to children's playground when choosing a restaurant?

4.12. How can you define your satisfaction when eating new cuisine or enjoying new restaurant style? (full portion, fast serving, hot enough to eat, nice food decoration, place to seat at a restaurant, general atmosphere, cleanliness...)

4.13. How do you usually become a loyal customer at a restaurant?

4.14. What would you like to receive when becoming a loyal customer at your favorite restaurant?

## **SITUATIONAL FACTORS**

- 4.15. In which occasion that you prefer eating out?
- 4.16. In which occasion that you prefer going to a new restaurant?
- 4.17. How situational factors affect your decision of going to a restaurant?
- 4.18. Which restaurants that you have come recently?
- 4.19. Why do you choose to come to that restaurant?
- 4.20. How do you know about that restaurant?
- 4.21. Have you recommended anyone else to come there also?
- 4.22. How will you describe your impression of that restaurant? Draw a journey that leads you to that restaurant.

## **OBSERVATION**

- 4.23. (Tell briefly about this restaurant concept) How do you think about this restaurant?
- 4.24. What do you know about Middle East cuisine?
- 4.25. When will you prefer coming to this restaurant? (lunch, dinner...) And with whom?
- 4.26. How much are you willing to pay for this mix-and-make meal?
- 4.27. What will be the main difficulties for customer when indulging in this restaurant concept according to you?
- 4.28. What would be the suitable target customers for this restaurant?
- 4.29. How do you see yourself familiar with this restaurant concept?
- 4.30. Should the restaurant change its concept at lunchtime and dinner?
- 4.31. What would you like to have in this restaurant in order to increase your satisfaction?
- 4.32. What should this restaurant have to make it more special and attractive to target customer?